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Bird's Eye View of Delhi, from Jami Masjid. (BOAC).

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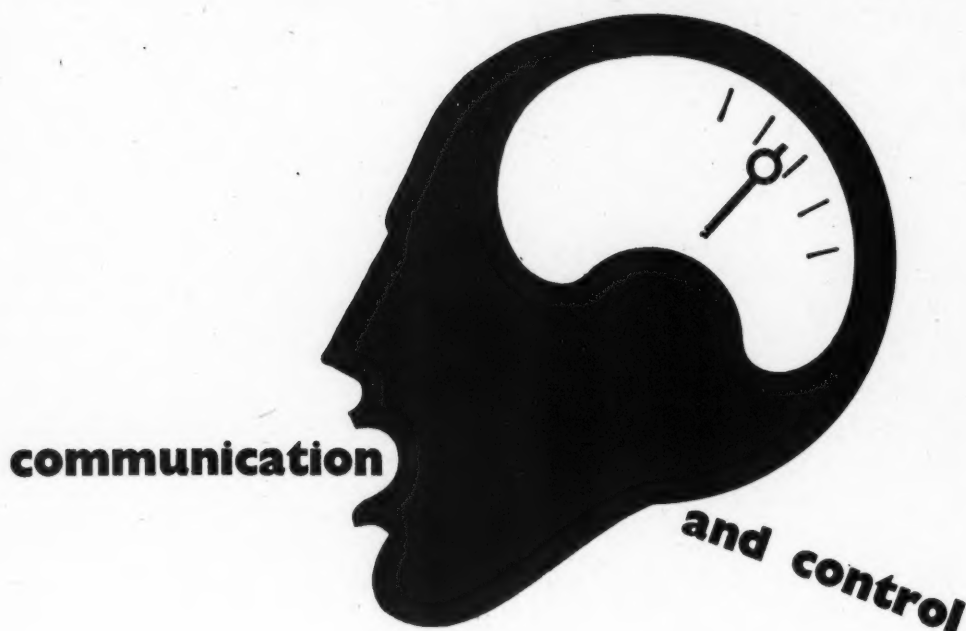
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EASTERN WORLD

TRADE WITH CHINA

JAPAN is about to resume the importation of coal from the Chinese mainland, and thus to revoke the ban on trade with Communist China imposed in 1951 in accordance with US policy. During the second quarter of this year, 157,000 tons of Kailan coal will be delivered to Japan in exchange for textile machinery valued at \$860,000, and chemical fertilisers and other goods to the value of \$400,000. The price of this coal is reported to be \$11 per ton, as against \$17.50 Japan has now to pay for US coal. The Japanese iron and steel works, on behalf of which the deal has been completed, hope thus to lower their prices of iron and steel.

This unpublicised development is of great significance, as it proves the necessity of Japanese trade relations with China. It also shows that either US influence in Japan is on the wane, or that America has to condone in Japan what she condemns in other countries. Since January 22, 1951, no ship of US registry has been permitted to touch at Chinese or North Korean ports in any status, whether chartered or otherwise, and in May, 1951, the United Nations General Assembly approved a resolution calling upon all its members not to ship "strategic" materials to Communist nations during the war in Korea. Further, the United Kingdom decided last month (March 7), to tighten the already existing system of controls of shipments to China by introducing a system of licencing vessels registered in the UK and the colonies so that strategic materials from non-British sources could not be carried to China in British ships and to prevent the bunkering of other ships carrying strategic cargo to China in British ports.

While it is open to discussion as to what is "strategic" and what is not—the last war has shown that all goods without exception have either direct or indirect strategic value—these measures have only helped to alienate China still more from the west and to force her to rely in increasing degrees on deliveries from countries behind the iron curtain. The article on page 50 in this issue shows how this policy, far from depriving China of vital commodities, has built up a flourishing trade within the Communist block to the detriment of western traders.

In addition, Ceylon, not being a member of UN, has helped her economy last year by selling sheet rubber to China in exchange for rice, and Burma has just sent 1,500 tons of rubber and 300 tons of iron and building materials to Peking, simultaneously foregoing all financial aid from the United States. The Japanese step, however, proves more than anything else that a continuous isolation

of China will not only prove costly, but impossible to maintain.

BURMA'S GROWING STRENGTH

BURMA'S decision to renounce American aid constitutes a blow to American policy in Asia. The step, brought about by pressure inside Burma as well as by promises of support from India, needed courage, since the welfare programme of Premier U Nu's party, on the strength of which it won the elections, has up to now looked to America for financial and technical aid for its implementation. The Burmese Government has always aimed at maintaining correct relations with both the western and eastern blocs and can certainly not be called pro-Communist although it has a thousand mile long frontier with China. Burma, which is spending 40 per cent. of her national income on internal security, lost patience with American unwillingness or inability to curb the Chinese Nationalists inside her territory. It seems that the latter have been actively aggressive in Burma only since last December when the Republican administration came into office in Washington and when American policy in the Far East underwent a certain change. Since then Burma has on several occasions asked the US to persuade Chiang Kai-shek to order the withdrawal of Kuomintang troops, and has offered to allow their repatriation, provided they surrendered their arms. These requests, however, met with no success, and Washington's failure to bring pressure to bear on Formosa has resulted in Burma's loss of confidence regarding American intentions.

Statements from Formosa about the Kuomintang forces operating in Burma have been somewhat contradictory. On the one hand, General Cheng Kai-min, chief of Formosa's mainland operations, claimed General Li Mi's army as guerrillas operating on behalf of Chiang Kai-shek and as part of Nationalist plans for the conquest of the mainland—a fact which is borne out by General Li Mi's frequent visits to Formosa. On the other hand, Dr. Shen Chang-huan, official Nationalist Government spokesman, said on March 27, that his Government was not responsible for "whatever Chinese forces that have remained in Burma" and that it exercised no control whatsoever over them. What is certain is that these forces must be causing the State Department much heart-break. It is obvious that Rangoon cannot accept the plea that the US is not responsible—maybe indirectly—for the presence of Kuomintang forces on Burmese soil, killing Burmese citizens, looting Burmese villages and using Karen rebels as allies.

During the past few years Burma has successfully tackled the most difficult internal complications, and that she is now in a position of putting an end to this banditry, even at the expense of losing US financial aid, is a proof of her growing strength internally as well as of a sound foreign policy aiming at friendly relations with her neighbours.

WESTMINSTER AND THE EAST

By Harold Davies M.P.

MANY Back-benchers have for some time been pressing Mr. Churchill to take initiative in an effort to break the deadlock between the Great Powers, and he assured us that he would welcome every effort in that direction. The Foreign Secretary, Mr. Eden, has made a move that has borne fruit. In a speech in the House, almost an aside, Mr. Eden suggested an exchange of sick and wounded prisoners in Korea. Now Mao Tse-tung's request for another effort to end the Korean War looks a little more hopeful. In the light of all this many of us here in the Lobbies feel that continued support of Chiang Kai-shek and the limitation of China trade is nothing but an irritant. Senator McCarthy, if the reports are true, seems to be working all on his own to get private agreements with shipowners in New York and London not to fetch and carry in the China Seas. I cannot imagine any British M.P., however powerful, doing this without an uproar in the House of Commons.

It seems that Mr. Aneurin Bevan has returned from India more and more convinced that we must attack the food problems of Asia. He believed that the Indian Community projects were one of India's most interesting features, because emphasis is based on the Indian village community as the core of India's revitalisation. The fact is, as the ECAFE Survey shows, that despite the slight increase in the production of foodstuffs in Asia, the output per head of population is "still below pre-war, and has been decreasing since 1949/50 if one excludes China." In a footnote to Chapter 1 of the same Report I see that in 1951/52 consumption of all fertilizers in Asia increased by 17 per cent., of nitrogen by 15 per cent., of phosphoric acid by 17 per cent. and of potash by more than 34 per cent. above 1950/51. If we can get a real thaw in the Cold War, then there should be no obstacles to moderate progress both in Pakistan and India as far as their initial steps in food production are concerned.

Many Members are concerned at the growing threat of Chinese Nationalist troops in Burma, and now Mr. Nehru has asked that these troops leave Burma. Nehru believed that these troops were better equipped than hitherto, and suspected that supplies were coming through to them from Thailand. The seriousness of this was impressed upon me after talking to one of the Delegates to the recent Rangoon Conference. Now it appears that Prime Minister U Nu accuses Nationalist China of having some 12,000 men in Burma. Desmond Donnelly, (Labour), recently raised this point with Mr. Eden, who seemed to indicate that the initiative was really with Burma. Now Members find that Burma really has taken a dramatic step. To-day we learn that the Burmese are prepared

to cut themselves off from United States Aid so that Burma can put its case at the United Nations untrammelled. Members here will ask the British Government to use its good offices in order that an amicable solution of this long festering problem may be found. In these columns some time ago I hinted at the foolishness of the Great Powers in closing their eyes to the massing of Chinese Nationalist troops on the Burmese borders. This is the way the Democracies lose their friends in Asia.

I do not like to see Mr. Anthony Eden uneasy when he is making a Statement to the House of Commons. Nevertheless, twice within a few weeks he has failed to impress us. His Statement on the Anglo-American talks mountainous with platitudes was received ironically by the Opposition and listened to with significant silence by his own Back-benchers.

Obviously, Far Eastern and South-East Asian matters dominated the Anglo-American talks and Mr. Dulles must be pleased with our promise to tighten up the existing system of controls over the shipments of strategic materials to China. While the Foreign Secretary said that this tightening was in furtherance of the United Nations' resolution of May 18 1951, the fact that Britain and the United States are to try to get "other maritime and trading nations" to join the blockade seems to indicate an objective beyond that of the original resolution.

Mr. Attlee pressed for more information on the question of the recognition of the real and effective Government of China. Mr. Eden replied that until the majority of the United Nations change their view the representation must remain as it is. Under more pressure later from Mr. Sidney Silverman (Labour) he added: "Whatever the past history may have been, I am not prepared, so long as I am Foreign Secretary of this country, to advocate to the United Nations the recognition of a Government who are in full aggression against the United Nations and are shooting down our troops." That is the clear view now expressed by the Conservative Government and this is surely a change of policy from the last Government. A change that offers little hope of a thaw in the cold war as a result of British initiative. The Minister's answer to Mr. Aneurin Bevan about the 12,000 Chinese Nationalist troops in the Shan Province showed that while talks were still in progress with Burma the initiative would be left to Burma. As we go to press, Chou En-lai has announced a new offer over the prisoners-of-war deadlock in Korea. The offer seems to have been welcomed by the Embassies of the United Nations. If the Great Powers let this chance of Peace in Korea slip, then any hope of "saving their face" in Asia will be lost almost irrecoverably.

ASIA IN WASHINGTON

By David C. Williams (Washington)

THE death of Stalin and its impact upon Communist policy within Russia and throughout the world are the most absorbing subjects of conversation for all Washington, from the White House, the Capitol, and the Pentagon to the taxicabs which ply its busy streets, and whose pilots have always deemed themselves experts on national and global politics.

This is one field, at least, in which the amateur can claim to know almost as much as the expert—namely, very little. There is a strong current of opinion, however, which holds that there is a good chance that "Chairman Mao" of the Peking regime may emerge as the world's leading Communist, in fact if not in name. This is how Joseph C. Harsch, the able correspondent of the *Christian Science Monitor*, sees the situation. After expressing the view that whoever succeeds to power in the Kremlin can count upon the support of the bureaucracy, the army, and the Soviet propaganda machine, he notes that Stalin's "enormous personal prestige," cannot be transferred to a new and relatively unknown leader. "He was the senior Communist leader of the oldest Communist country," Harsch points out. "This is a position which was built gradually over a period of 29 years."

"The fact which, above all others, must be troubling the men in the Kremlin now," he theorizes, "is that the most powerful, most successful and most respected leader in the Communist world today is not even a Russian—he is Mao Tse-tung of China."

At the very least, the death of Stalin has strengthened the hand of those, in the Administration and outside, who see as the key to success in the cold war the driving of a wedge between Red Russia and Red China. This fact alone is likely to have a moderating influence upon American policy, for it is recognized that a "tough" policy directed against Communism as a world movement rather than against Russia as an ambitious and expanding Great Power tends to drive Peking ever closer to Moscow.

It is not only within the Kremlin, however, that a struggle for power is now taking place. In its first few weeks in office, the ability of the Eisenhower administration to frame its own foreign policy has been challenged on two Congressional fronts—by the ruthless Senator McCarthy of Wisconsin, who is harrying the State Department just as if Acheson rather than Dulles were Secretary of State, and by the Republican Senators in general, who have balked at swallowing the Administration's much-vaunted resolution solemnly rebuking the Soviet Union for repudiating its agreements at Teheran, Yalta, and Potsdam.

Again and again McCarthy, as chairman of a Senate investigating committee, has forced Dulles and his senior officials to yield ground on matters in which their control

over their own Department was at stake.

The weekly *Nation* observed editorially:

"After only a month in office the Eisenhower Administration is being warned from all sides that a day of reckoning with the 'radical' right-wing Republicans cannot be avoided much longer. But the chance for a reckoning may have come and gone. Now that McCarthy has been invited into the State Department, with carte blanche to look around, examine files, cross-examine officials, and encourage his bevy of informers, he will not easily be kicked out."

It is a matter much debated here as to whether Eisenhower and Dulles realise the damage McCarthy is doing to them. Dulles probably does, but he is a scholarly man without talent for the rough and tumble of politics, and no match in a fight for the wily and ruthless McCarthy. Moreover, he is the victim of his own theory of operation, according to which the most essential thing is to re-establish that Congressional "confidence" in the State Department which Acheson is said to have forfeited.

Eisenhower could easily rebuke McCarthy, and in fact at his press conferences has been given repeated opportunities to do so. He has not spoken out, and privately is said to have complained that the reporters were trying to stir up trouble between himself and Congress.

In the Republican platform, and in Eisenhower's own campaign speeches, there occur ringing promises to repudiate the Teheran, Yalta, and Potsdam agreements, which in the eyes of Republican orators were "sell-outs" to the Russians bordering upon treason. Republicans in Congress were eagerly awaiting a resolution equal to the violence of their sentiments.

When all that appeared was a resolution condemning, not the pacts themselves, but Soviet failure to live up to them, the Democrats were jubilant and the Republicans downcast. Republican Senators insisted upon an amendment stating that Congress did, not, by adopting the Eisenhower-Dulles resolution, express an opinion as to the validity or non-validity of the pacts—phraseology which, as observers were quick to point out, would seem to justify the Russians in ignoring them. The Democrats promptly and enthusiastically rallied to the defence of the original Eisenhower resolution, which they insisted should not be altered by a single comma.

In these two dramatic instances, the conflict between Eisenhower and the leaders in Congress of his own Republican Party has arisen even earlier than had been predicted. It remains to be seen whether Eisenhower, drawing upon his undoubted and immense personal prestige, will be able to re-establish control over foreign policy and guide the nation successfully in the troubled times that seem likely to follow the death of Stalin.

TAKING STOCK OF U.S. POLICY IN ASIA

By J. W. T. Cooper

ANY attempt at the present time to take stock of an over-all American policy in the Far East and South-East Asia will naturally be bedeviled by statements and counter-statements, rumours and denials. It seems certain, however, that the new Administration under President Eisenhower will shortly reformulate a good deal of the United States policies for the world as a whole, and the situation as it stands today in Asia will receive close and concentrated attention.

In Europe, American policies, new and existing, must of necessity fit into the framework of the North Atlantic Treaty, by which nations of the west are lined up in cooperation against any attempted aggression by the Soviet Union. In Asia no such comprehensive treaty exists, and there United States policies have so far had to be directed independently—except for vague pacts with Japan and Australia and New Zealand, and within the military sphere of the United Nations in Korea—against possible and actual Communist aggression.

After the successful conclusion of the Chinese revolution in 1949 the State Department published the now well known China White Paper, "designed," as Professor H. M. Vinacke has said in a recent book*, "to close the chapter on support of the Kuomintang so as to open the way for a fresh approach to the China problem . . ." A committee was set up under Philip Jessup, Ambassador-at-Large, with the job of reappraising and examining Far Eastern policy. There was, of course, much public and press discussion of the subject in the United States, the focal point of which, says Professor Vinacke, "was not the problem of constructing a new policy or policies adapted to the changed situation in the Far East, but responsibility for the failure of the policies which had been followed in China." The Republican Party, then in opposition to the Administration, did not believe the revolution to be Chinese inspired, but merely as an extension of Soviet influence to the shores of the China Sea. Republican criticism, therefore, of the proposed reappraisal and reorientation of American policy was, as Mr. Vinacke says, "primarily directed towards embarrassing and weakening the Administration rather than toward establishing sound lines of future development." Following on this came the tactics of Senator McCarthy who based his attacks on the Administration upon the premise that as the State Department was responsible for the formulation of a policy towards China, then they must

be held responsible for the failure of that policy; and from that he deduced that the State Department was sheltering a larger number of Communist sympathisers.

Such charges had the inevitable result of putting the Administration on the defensive in the formulation of future policies towards China and other countries in East and South-East Asia which were profoundly influenced by the revolution. The only positive policy to emerge at that time was the fixing of a indefinable sort of line across which no Communism, actual or influential would be allowed to spread. Containment of Communism became a familiar phrase for expressing the fundamental United States policy, not only in Asia but in Europe. To have accepted the idea that Communism must be contained was to accept also that the positions reached by Communist influence would be maintained. The idea of liberation, it could be safely assumed, was not imagined—least of all entertained.

Having adopted the containment policy by early 1950 the problem then was to determine in what practical way it could best be carried out, and a re-examination of political and military positions in the Pacific and South-East Asia was consequential. In the Pacific, Japan, the Ryukyus (of which Okinawa is the bastion) and the Philippines, were envisaged as the lower portion of a defensive chain from the Aleutians, with Indo-China as the focal point for the containment of Communism southwards. South Korea, as Vinacke says, "was initially viewed as being beyond the line of military containment," and "policy towards Formosa remained unresolved." Outside of this area of military containment—that is, in the countries of South-East Asia—economic rehabilitation was envisaged as a means of resisting the spread of Communism from within.

The determination of the United States to contain Communism within its existing limits was well illustrated by the promptness with which the advance of North Korea over the 38th Parallel was combated by American arms. The justification for the North Korean advance—if there was any—was scarcely, if at all, questioned. It was the spread of Communism, and as such an immediate attempt was made to arrest it. Defence arrangements in the Pacific were tightened up in the process which, again to quote from Professor Vinacke, "included fleet dispositions to prevent a Communist attack on Formosa (while requesting the cessation of attacks from Formosa on continental China) . . ."

Since the beginning of the Korean war the policy of containment in the Far East has not changed, although

* *The United States and the Far East, 1945-51* by Harold M. Vinacke (Stanford University Press, London: Geoffrey Cumberlege 24s.)

other policies concomitant with the fundamental policy have been subject to directional changes as a result of various aspects of the Korean campaign, such as the entry of China and the protracted cease fire negotiations. Mr. Truman's prompt and resolute reaction against the spread of Communism was equalled by his defence of the containment doctrine over one of liberation from Communism (advocated by a less responsible section of opinion in America) in his removal of General Douglas MacArthur.

During the course of the Korean war a general tightening up of defence in the Pacific has been going ahead, and we have witnessed the Japanese peace treaty—a move which did not have the uncritical support of America's allies in the west, or of Australia and New Zealand. The Americans have sanctioned limited re-creation of military elements in Japan with the formation of the National Safety Force, armed with artillery and light tanks as well as infantry weapons. As a corollary to this move, Australia and New Zealand have sought a pact with the United States because they fear Japanese military resurgence as much, if not more, than Chinese. In Korea itself the truce talks, which at first appeared so hopeful, have only served to complicate matters for the United States.

There is, however, one factor which makes the whole situation in the Far East most unreal. After the surrender of Japan in 1945, the United States, in trying to effect a unified and democratic government in China, came to recognize that "the Communist position seemed to be more consistent with American policy objectives than was the apparent unwillingness of the Generalissimo (Chiang Kai-shek) immediately to modify the Kuomintang monopoly of legality and power so as to include the Communists." (Vinacke). The Americans, in fact, recognized at that time that the Chinese Communist Party was willing to participate in government with a democratic framework. Paradoxically, the Soviet Union regarded them only as elements who were "expressing dissatisfaction with their economic conditions," considering Chiang's Nationalist regime as the only political force in China.

In the four years since the end of the revolution there has been abundant proof that, however distasteful the conduct of the regime in China is to western, and particularly to American, minds, it does have the support of the overwhelming majority of the Chinese people; and without overtaxing the imagination, it can be regarded as the legitimate Government of China. To those who think that a government is not representative of its people if it gains its position by force, the simple answer is that it is endemic in Asian peoples not to vote out their rulers but to throw them out. It is a great mistake to apply western concepts to eastern situations, and it is an even greater folly to base policies, which possibly involve the peace of mankind, on such false concepts.

Having so far, at any rate, based its fundamental policy on the unreal assumption that because the Communist regime is anathema to America it does not exist

as the representative government for the vast country of China, the United States, by not recognizing it and refusing to sanction it a seat in the United Nations, finds itself in the situation of having to formulate and activate policies throughout the Far East which are of a defensive and negative character.

Under the new Administration the only positive change in policy so far has been President Eisenhower's decision to withdraw the ban imposed by Mr. Truman on the Chinese Nationalists from raiding the mainland of China. There is nothing implicit in this move to suggest a reorientation of fundamental policy, except perhaps the showing of a stronger hand to China. Republican agitation for recognition of the usefulness of Chiang Kai-shek's army has been apparent for some time. Thomas E. Dewey, Governor of New York, Republican Presidential candidate in 1944 and 1948, and influential voice in the Republican Party today, after his visit to the Far East in 1951† wrote: "Whatever its defects, the army on Formosa is the largest army in the Pacific on the side of freedom in the event of a third world war." and, "It would be unwise to think of this army as a means of invading the mainland to hold territory today [about the end of 1951] but its potential is important for the future and for possible guerilla action sooner; meanwhile it holds this invaluable island fortress in our defence structure."

It is not likely that the new President has, at this stage, yielded more than what Governor Dewey advocated, as an honour of his vague election pledges that he would do something about the situation in the Far East. He no doubt imagines that the possibility of Nationalist raids against the mainland will tie down a Communist army which could have been released for fighting in Korea. It is, nevertheless, a curious decision for the President to have taken because, as his advisers must surely have made clear to him, the main advantages from the move will have fallen to the Chinese Communists. It will have gone a long way towards proving China's propaganda point, disseminated with great effect, particularly among the Japanese, last September at the "Asian and Pacific Peace Conference" in Peking, that it was the ultimate aim of the Americans to get Asians to fight against Asians; it has, in Peking's eyes, brought the differences of opinion among western nations about relations with China into the open; and it weakens Formosa as a fortress in the strategic defence chain in the Pacific, since any major clash on the mainland between Nationalist and Communist troops would, almost without doubt, result in a large scale desertion of Chinese soldiers who have spent four hard years on the island.

There was much talk during the Presidential election in America of the reference made by General Eisenhower to liberation from, rather than containment of, Communism in both Europe and Asia. It seems from Mr. Dulles' words to Congress that "liberation" may be the

† *Journey to the Far Pacific*, by Thomas E. Dewey (Odhams' 21s.)

basis on which the present Administration's Far Eastern policy will be based; but if it is, the result must almost inevitably be a major military conflict. Apart from the Kurile Islands, north of Japan, which were restored to Russia under four-power agreement at Yalta, the areas which are Communist held are China, North Korea, and large tracts of Indo-China.

That certain elements within the Republican Party envisage the reinstatement of Chiang in China is evident from remarks such as Mr. Dewey's quoted above, that the Nationalist army's "potential for the future is important . . ." (And Mr. Dewey is on the less extreme wing of the Republican Party.) But surely, if Chiang could not maintain power once held firmly in his grasp in the face of the Communist revolution, no clear-thinking person could believe that he has a chance to wrest it from the present well-established regime.

It is difficult even to speculate on whether the basic United States policy in east Asia will be affected by the situation in Korea, or whether the reverse. The stalemate, which has been prevalent for many months, has been whittling away American lives to no advantage. If the U.S. will not recognize China before a cease fire has been negotiated in Korea, certain other courses are possible: a large-scale offensive coupled with a blockade of the China coast and complete economic sanctions against China; an agreement with the Chinese to withdraw all foreign troops from both sides, leaving the fighting to the North and South Korean armies—a most unlikely move which would not only recognize the war as a civil one, but would put the clock back to June 1950; falling in with extreme American military thinking which advocates carrying the war into China by air bombardment; or acquiring a greater understanding of the Chinese mentality and the importance they attach to loss of face, and working on an enlightened policy of achieving a cease fire and concessions in the matter of prisoners and political rehabilitation of South Korea. This last course depends so exclusively on the basic approach to the existence of Communism, not only in China and North Korea, but in the world as a whole, that it becomes evident that future diplomatic action with regard to Korea must be the result, not the cause, of formulated lines of policy.

It certainly appears that Mr. Eisenhower and Mr. Dulles have come to believe that the situation in Korea cannot be considered now as a problem isolated from the general situation in the Far East, and greater attention will no doubt be given to the war in Indo-China. All indications point to a substantial increase in American supplies to the French in an effort to overcome the Viet Minh. "Indo-China," said Mr. Dulles early last summer, "is the key to South-East Asia, upon the resources of which Japan largely depends." And Governor Dewey, after visiting Indo-China, echoed the late General de Lattre de Tassigny when he wrote in his book: "This struggle in Indo-China is indeed 'for the world'—the free world. Must we wait until the Chinese attack in Indo-China to put in motion the cumbersome and probably futile machinery of

collective defence . . . ?"

The probable lines of American thought are that if they allow themselves to be circumscribed within the limits of a Korean truce, Communism will be running wild in other parts of Asia, and the only way of containing it successfully would be to act in all areas at the same time and in concert. It may well be that greater pressure and eventual establishment of the Bao Dai regime throughout the whole of Indo-China, stalemate in Korea, raids on the Chinese mainland by the Nationalists, blockade and sanctions against the Peking Government, all taking place simultaneously are envisaged as the ingredients for a re-adjustment of the balance of power in Asia, forming a position of strength from which to negotiate, or even dictate, terms.

Finally, it may be pertinent to examine briefly how this closer American attention to the physical spread of Chinese Communism will affect other Asian countries.

The largest and most influential Asian country apart from China is India, where there is grave suspicion and misgiving about American policies. India and the United States look at Asia through vastly different eyes. India sees China as a country commanding its own destinies coherently for the first time in a modern world and only becoming reliant upon the Soviet Union because American policy forces it to. It sees the United States recreating a militarily strong Japan, the result of which is fraught with danger, and it views with alarm the general military character of Washington's policies which, in its view, accelerate the drift to war. The outcome from all these suspicions is to increase the determination of India to align itself with neither power *bloc*, but to strengthen its neutralist position, thus forming the nucleus of a passive force in Asia. There is no doubt that it will receive a large amount of support from other countries in South-East Asia. For some time the motive behind American aid to backward countries in the area has created suspicion in the minds of Asians. In their view aid, for all that it is welcome, should be given for its own sake and not because, without it, there exists a danger of the underfed and under-privileged being more susceptible to Communist arguments. There is, among non-Communist Asians, as much fear that America, through her policies, will create a new western imperialism in Asia as there is of the spread of Communist influence. The countries of South-East Asia are not nearly so blinded by the glitter of the silver dollar as are some European countries, and they can be, as far as America is concerned, annoyingly intransigent, ensconced in their new found independence—as witness the recent Ceylon-China rubber-rice agreement. Mr. Dulles is going to have no easy task at the State Department as far as Asia is concerned, and not the least of his worries will be to gain the cooperation of those Asians who are concerned for the future, not only of their own countries, but of the Far East as a whole, and this he will not do by supporting reactionary and discredited regimes, or by applying western conceptions and needs to eastern situations and desires.

BALANCING ON THE LADDER

By the Rt. Hon. Lord Ogmores

ALL peoples at all times dislike change. It is generally forced upon them by circumstances or by the actions of an active minority. We tend to accept theories, hallowed by years, without much independent investigation.

This sort of thing has happened in our constitutional development. Thought in this country, and throughout the Commonwealth, is not animated by fresh ideas on the future of the Colonial territories as a whole, although much good work is being done on individual Colonial constitutional questions.

It must be admitted that the Colonial idea received a severe shock as a result of the Revolution, towards the end of the 18th Century, by the American Colonists. After this successful revolt, for sixty or seventy years people in Britain just did not believe in Colonies. People thought they were a nuisance, an expense, and bound to go their own way in the end. Even Benjamin Disraeli, the Founder of Tory Democracy, described Colonies as "these mill-stones around our necks."

When, however, the Industrial revolution had taken place and production in Europe was in full swing, the need for markets became ever more urgent, the once neglected Colonies began to come into their own and, in the late 19th Century, there was a new interest in the Colonies and a rush for Africa.

During this period, quite unexpectedly, and almost in a haphazard fashion, those Colonies originally mainly peopled by emigrants from the United Kingdom, developed as independent States within the Commonwealth, independent in every possible way, linked together by ties of common origin, the common law, mutual affection, mutual interest and, above all, by loyalty to the Crown.

This development was an entirely new feature in constitutional history and is a considerable contribution to the establishment and maintenance of world peace and universal progress. Meanwhile, so far as the Colonies generally were concerned, the enlightened policy of Trusteeship, broadening out into Partnership, came into play.

In 1948, the British Nationality Act brought another conception into being and created a common citizenship between the peoples of the United Kingdom and the Colonies. In my view this was a step in the right direction, but only a step; many more steps, indeed, need to be taken.

One difficulty is that people talk of "the Colonies" as if they were all alike but they differ enormously. There are huge territories with big populations like Nigeria, important producer areas like the Federation of Malaya, commercial settlements like Singapore and Hong Kong on the one hand and little islands, such as St. Helena, in the

Pacific, Atlantic, Indian Ocean and Mediterranean, on the other. In fact since Colonial territories differ so much in climate, extent, population and economic resources, their future prospects too, must be very different one from another. There are, in fact, three classes of Colonial territories.

The first class is the country with a substantial population and considerable economic resources; such a country could in due course, and undoubtedly will, become an independent member of the Commonwealth. Examples of this class of territory are the Federation of Malaya, Nigeria and the Gold Coast.

The second class of territory is one which, whilst not itself in a position, so far as can be foreseen, to stand on its own feet as an independent member of the Commonwealth could do so if the desire was there, combined with other Colonies in the neighbourhood. Examples of this class are North Borneo, Sarawak, Singapore, Sierra Leone and the West Indian and Caribbean Colonies.

The third class of territory is one which, for one reason or another, because of its small size, the paucity of its economic situation, the isolation of its geographical position or because of a multi-racial problem within its boundaries, will not in the foreseeable future be able to stand on its own feet without the support of the United Kingdom. Examples of this class are Hong Kong, Gambia, Fiji, the Gilbert and Ellice group, Mauritius, and, indeed, most of the Colonial territories including all the island colonies other than those in class two, together with on multi-racial grounds, certain territories in East and Central Africa.

The sealed pattern solution offered by those interested, officially or unofficially, in British colonial problems, is that all Colonial territories are moving towards self-government within the Commonwealth. No distinction has ever been made in any policy statement between them. Nigeria, the Federation of Malaya, Jamaica, Bechuanaland, Fiji, Gibraltar, Sarawak, Singapore, Swaziland, the Gambia and the Falkland Islands have all been lumped together in a remarkable hot-pot. A favourite metaphor in the United Kingdom is that of a ladder up which all the Colonial territories are said to be climbing. Well, what happens when one of the Colonies gets to the top of the ladder and there is no place on to which it can step off? Does it balance there on top of the ladder like the man on the flying trapeze or does it descend? You can ask the question as often as you like but you will get no answer.

In the case of those territories which for one reason and another cannot evolve as independent members of the Commonwealth, no provision in any planning has been made, because few have seen that there is a problem

and if there is no awareness of a problem there is no attempt at providing a solution to it. I offer a solution. I believe that there should be created a Grand Council—a Council of the United Kingdom and the Colonial Territories overseas. It would consist of representatives of the United Kingdom Parliament and the Parliamentary Assemblies of every Colonial Territory which desired to belong to it; in fact of all the three classes of territories described above. When the time came for the first class to become independent Members of the Commonwealth they would choose whether they would remain members of the Grand Council or not, and it is to be hoped that they would do so; the territories in the second class would remain until they had joined or federated with others to become an independent member of the Commonwealth and then they, too, would choose; the third class of territory would remain always a member of the Grand Council and make their contribution to and receive their support from the Common Pool. This suggestion does not, of course, affect the question of local autonomy—there is every reason why in due course all the third class of cases mentioned above should run their own affairs in their own country. In many cases they do so already.

The Grand Council would meet every year in the Autumn in London for a month or two. It would be constituted, so far as the United Kingdom Parliament was concerned, of Members from both Houses in proportion to the party representation in the House of Commons and similarly so far as the Colonial Territories were concerned of members of their legislative assemblies in proportion to the party strength. Naturally there would be a permanent Secretariat, a system of Committees, of which one would probably evolve as an Executive Committee.

I feel strongly that this Grand Council which would undoubtedly develop into an important body as the years

went by, would, in the first instance, provide a meeting place for representatives from all the Colonial territories and the United Kingdom. It would enable large topics such as the balance of payments, the Colonial Development and Welfare Fund and the development of the Underdeveloped territories, to be discussed by people who represent all the interests concerned. It would give the people in the United Kingdom a better understanding of the problems of the overseas territories and the Colonial peoples a better understanding of the problems of the United Kingdom. It would afford the Colonial representatives an opportunity to discuss, one with another, their common problems. It would enable a more realistic economic policy to be planned and to be varied from time to time in the light of requirements both of the United Kingdom and of the Colonial territories.

The time has gone by when the only contact needed between the home Government and a Colony was a despatch from the Colonial Secretary to the Governor sent off by sailing vessel. We live in the "Comet" age and our thinking has got to keep pace with the rapidity of our communications.

Today with the fascinating growth of representative institutions in Colonial territories and with the exciting prospects they offer, there is need for new ideas, for a constant exchange of thoughts between the United Kingdom and the Colonies. We have found in technical matters since the War, that conferences of experts from the United Kingdom and the Colonial territories have been most profitable.

There is little interest as yet in the United Kingdom or the Colonies in this idea because it is hard to change ingrained habits of mind. But the need for new thinking on this problem is percolating into the minds of those interested in Colonial problems. I say to them—all, if you do not like my scheme, suggest a better one, for a solution of some sort there must be.

PRISON REFORM IN INDIA

By Ajit Guin (Calcutta)

THE history of prison reform in India started in 1835 when Lord Macaulay pointed out to the Directors of the East India Company the need for an enquiry into the conditions of Indian gaols. Subsequently the East India Company appointed a committee which drew up a report on Indian prison conditions together with recommendations for possible improvements.

Before the British arrived in India, justice was prompt and did not call for detention. The penal practices being beheading, mutilation, branding, fines, confiscation of properties and banishment, the need for detaining prisoners in an institution did not arise.

The prison system in India as we find it today is of British creation. And to improve the conditions of

Indian prisoners, the British administration formed at least six gaol Reforms Committees at different times spaced within the years from 1838 to 1919. Up till then the penal institutions were controlled by the Central government.

In 1935, with the introduction of Provincial Autonomy, the prison administration was transferred to the provincial governments. Though some penal reforms were started with the creation of popular ministries in the provinces in 1935, independence gave an impetus to these activities. Since 1947 different State governments have appointed their own gaol reforms committees and had their recommendations.

The main problems in the gaols in India, as also

in other countries, were inadequate food supply due mainly to small government appropriations, lack of sufficient accommodation, clothing, medical care, recreational facilities and educational opportunities. In many places, lack of accommodation forced political prisoners to live in the same cells with convicts.

However, changes are gradually taking place. The most important reform in this field is to appoint whole-time gaol superintendents and sub-gaolers. Previously, the District Civil Surgeons used to be part-time prison superintendents in addition to their own routine hospital duties.

To relieve congestion in Indian prisons, almost all the State Gaol reform committees recommended the building of new gaols. The Madras Committee asked for two more while the West Bengal government has already opened up a new prison for political prisoners near Calcutta, and given tubercular patients separate accommodation. Habitual and non-habitual offenders are no longer imprisoned together.

Most of the gaols in India have now introduced primary education among the convicts. There are library facilities and films are shown occasionally. Vocational training is also given, ranging from simple handicrafts to training in the use of power-driven machinery. Similar improvements are seen in food supply, with the introduction of variety in the menu; in clothes, with the abolition of odd looking shorts and caps and replacing them with better-cut clothes and Gandhi caps.

Although these improvements are significant there are other aspects in the management of prisons in India that need change. While addressing the three-day conference of Inspectors-General of Prisons of all States of India in Bombay on March last year, Dr. Reckless, the United Nations Expert on Criminology (Mr. Walter C. Reckless is the Head of the Department of Criminology, School of Social Administration at the Ohio State University and visited this country early last year at the invitation of the Indian government) said that emphasis should be shifted from "holding prisoners within the walls to correction, rehabilitation and probation."

This seems particularly important when prisons in India are overcrowded with convicts involved in petty cases like pilfering, travelling on the railways without a ticket and similar other offences. They make a heavy inroad on the low prison budget.

Nevertheless, there are schemes in all the prisons of India to employ these convicts, but it is known that as such labours are somewhat forced, the rate of work automatically slows down and it has been estimated that the amount of work amounts to roughly only one-third of the work done in normal conditions.

To offset this difficulty, the United Provinces government launched an experiment which is new to India, namely the "Model Prison" that has been established on the lines of a self-sufficient colony. Col. G. R. Oberai, the Inspector-General of Prisons in the United Provinces and the guiding spirit behind this new experiment, wrote



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recently in the *Indian Journal of Social Work*, "The inmates (of this colony) have perfect freedom to think and shape their lives, taking only as much help as they choose from the officers who are their informants, guides and helpers. There is no force, no compulsion. They use methods of education, information and at best persuasion to bring about the desired results.

"A detailed and personal study of the good conduct prisoners with sentences above five years is made at the reception centres. The prisoner's case history, family relationships, social, economical and educational background, police report, details of sentences and trials with reactions of the prisoner's are collected and studied. His aptitude for industry, honesty and cooperation is judged by a team of qualified workers to make final selection for the Model Prison.

"There is no free or unpaid labour in this gaol. All labour is paid and the rate of wages is more or less the same as outside . . . It is the output that determines the income of the worker . . . The State realises from the inmates only the cost of maintenance while all the savings; deducting the cost of maintenance, are paid to the worker to remit to their dependants outside.

"The main sources of income of the institution are cottage industries like handloom weaving, dairy farming and vegetable cultivation. The plots are taken on rent

by the inmates who grow their own crops and sell the produce.

"One of the main features of the programme in this institution is to have confidence in the inmates and trust them to carry out responsible jobs under circumstances requiring personal control and honesty . . . The inmates have fully justified the trust and confidence placed upon them."

The United Provinces Government has also taken the lead in employing convicts in nation-building projects. On November 6 last, the U.P. Chief Minister Pandit Govinda Ballav Pant formally launched the construction of the 500 ft. long and 65 ft. high Chandraprabaha Dam near Benares, where 2,000 prisoners were employed like free labourers to construct it.

The establishment of Gaol Panchayats is one of the important gaol reforms introduced in Bombay State. The functions of the Panchayats are to examine and represent to the prison authorities grievances, difficulties and matters connected with the general welfare of the convicts. Each Panchayat comprises 40 members elected by the convicts themselves.

The meetings of the Panchayat committee are held once a fortnight and the prison officers attend the meetings and discuss matters relating to the grievances as well as the general welfare of prisoners.

Shortage of trained personnel in the penal field is

also widely felt. Two institutions are working in India at present to train probation officers, after-care workers, welfare officers and gaol officers. One is the Tata School of Social Sciences at Bombay, and the other is the Gaol Training School at Lucknow.

The Indian Gaol Manual prepared during the British administration comes under criticism from many quarters. Dr. Edward Galway, the UN Expert on Criminology and Correctional Administration, who came to India after Dr. Reckless left, said recently "the Gaol Manual was extremely detailed and exacting and was only a tool which provides for control over individual offenders where personal judgment and individual interests of gaol officers is minimized to an undesirable extent."

At the suggestion of those two UN experts the Indian Government is now considering rewriting and changing the Manual in the light of modern experience. They are also actively considering founding a Bureau of Prisons in the Central Government to coordinate the work in the State and to train workers in this field.

The probation system which works so well in helping a convict to return to normal life is being used more and more throughout India. The Madras Reform Committee in the report emphasised its extended use and the need to increase the number of probation officers. In this State alone some 22,000 persons are being looked after by probation officers.

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THE CHINESE IN INDONESIA

By Audrey G. Donnithorne

THE Chinese in Indonesia fared badly during the Indonesian struggle for independence. The Republicans regarded them as pro-Dutch and in many parts of Java Chinese were massacred and their property was looted. The Indonesian leaders regretted these occurrences and there is nothing to suggest that the violence had any official sanction. It was rather in the nature of mob riots directed against a community holding the traditionally unpopular position of middlemen. The fact, however, that the pogroms were spontaneous rather than officially inspired did not make them the less calamitous to the sufferers. It has been estimated that in 1946-47 some 1,000 Chinese were killed in Indonesia and 100,000 made homeless. In addition to losses in these riots, Chinese suffered much incidental damage from the Nationalists' scorched earth policy. This was not aimed at the Chinese as such but was carried out for the purpose of denying assets to the Dutch; nevertheless the Chinese, being substantial property owners, bore a large part of the consequences.

By now such violent manifestations of illwill towards the Chinese by Indonesians have ceased. Passions are allayed and it is possible to survey the position which the community, numbering about 2,000,000, holds and is likely to hold in the new Indonesia.

In the political sphere, the old problem of divided loyalties remains, exacerbated by the victory of the Communists in China. The Indonesian Government told the Chinese to make a definite decision between either Indonesian or Chinese nationality. It is said that the majority have applied for Indonesian citizenship but no figures are available. The Chinese complain that even when they have become Indonesian nationals they are regarded as second class citizens and suffer adverse discrimination in official employment and in other ways. This consideration lessens the warmth of their loyalty to their adopted country. At the same time ground is given to Indonesian suspicions by the attitude of many of the Chinese community. In this matter it is difficult to decide which is cause and which is effect: suspicion undermines loyalty and lack of loyalty in turn justifies suspicion. The pre-war question of the relationship of the Indonesian Chinese to the Chinese Consuls has arisen once more. Last year a new Chinese Consul-General was appointed to Djakarta by the Peking Government. In April the writer was in Surabaya when she paid her first visit to that city. Almost every Chinese shop and office there was flying the Chinese Communist flag in welcome. The curious fact about this is that an informed resident of Surabaya said that a large section of the Chinese community in that city was not Communist. Probably, however, even the non-Communists felt that their commercial

and social interests would best be served by making a friendly gesture to the new consul.

The activities of the Chinese Embassy have given ground for widespread concern in Indonesia. It is regarded as the inspirer and chief support of the local Communist Party—not only of the Communists of Chinese race but of those of Indonesian origin as well. Its connection with SOBSI, the Communist trade union federation, is believed to be close. The Embassy is, too, the instrument by which pressure is brought to bear on individual Chinese who have relatives in China. A senior clerk in a European firm, for instance, received a note from the Chinese Embassy saying that his family in China was well and that there was a job for him at the Embassy. The implied threat made him, though unwillingly, throw up his good commercial post.

Surabaya is not the only place where business interests may induce the local Chinese to demonstrate greater sympathy for Communist China than they feel. This makes it hard to gauge the strength of Communism among the Chinese. Often a man may have trade connections with China and may depend on the favour of the local Chinese consul for the smoothness with which his dealings go through. There is no doubt, nevertheless, that the pleasure at seeing the Mother Country powerful and united frequently deadens any dislike of the regime which has produced this effect. Although ideological devotion to Communism may be weak among the older generation it is being instilled into the children. Most of the Chinese schools in Indonesia are under strong Communist influence. Few non-Communist Chinese teachers are available and so a school may become dominated by the Party despite the wishes to the contrary of the managing body. Thus it comes about that in many places Chinese parents have to choose between allowing their children to be educated by Communists in a Communist atmosphere or seeing them grow up ignorant of their ancestral language. This is now a harder choice than before since the alternative means of education—the ordinary Indonesian schools—are now in the throes of substituting the Indonesian language for Dutch as the medium of secondary education. As the Indonesian language is still in a rather unformed and imprecise stage of its development, this change—while justifiable on many grounds—has lowered academic standards.

Although Chinese make up less than 3 per cent. of Indonesia's population, they are reckoned to include a third of the university students in the country. Communist sympathies are powerful among these Chinese students, in contrast to the Indonesian students, few of whom are Communists.

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No account of Communist influence among the Indonesian Chinese would be complete without a mention of the Chinese bookshops. Many of these are full of literature from China, exported by way of Hong Kong. Often an impression is gained that this literature is sold and bought not with the purpose of propagating Communism, but in default of any other reading matter in Chinese. There is no doubt that it is forming the minds of the younger generation.

While there are many Communist sympathisers, convinced or temporising, among the Indonesian Chinese, strongly divergent groups also exist. Many Chinese shops and homes still display photographs of Chiang Kai-shek and Sun Yat-sen and in places Kuomintang organisations flourish and keep in touch with Formosa. Yet other Chinese resolutely avoid contact with either of the "alien" parties and confine their political interests to their adopted land.

Regional differences exist in the extent of Communist support among the Chinese. In Java the community is very divided and it is difficult to assess in what proportions. In South Sumatra Communism is strong—last year the writer saw bus load after bus load of children from Chinese schools driving through the streets of Palembang singing Communist songs on their way to some Party occasion. In West Sumatra and on the East Coast, however, the position is different and Communists are much fewer—though by no means absent. One factor affecting the attitude of the Chinese in different cities is the influence of Christianity. The number of Chinese Christians—parti-

cularly Catholics—in Indonesia, is growing and in some places this is sufficiently important to have a steadying effect on the whole of the local community. In Padang, West Sumatra, for example, it is estimated that a fifth of the 10,000 Chinese are Catholics.

The first days of Indonesian independence saw an attempt to oust the Chinese, no less than the Dutch, from the strong economic position they occupied. This aim still figures in official policy but the momentum behind it has diminished in force. Like all revolutionaries, the Indonesians greatly under-estimated the difficulty of the constructive part of their programme. Once political independence had been achieved it was imagined that pent up Indonesian abilities would manifest themselves in both the economic and the administrative spheres. To give Indonesian enterprises a flying start, firms owned by Indonesians were encouraged with the promise of special privileges such as loans from the Government-sponsored Bank Negara and the monopoly of the import of certain easily saleable consumer goods. Thus during the immediate post-war period of acute shortages, only Indonesian concerns might import textiles. As a result these "new-comers" made large profits and were confirmed in their belief that commerce was a simple game. Little of these profits were ploughed back and most were spent on luxuries. Now that the sellers' market has ended these firms are in a very bad way. Their borrowed capital is gone or invested in stocks which have a very slow turnover. They have been asking the Bank Negara for further loans but often meeting with refusal. The only remaining source of credit is the Chinese, who, naturally, are not willing to lend to semi-bankrupt concerns without being given a substantial measure of control. Thus it has come about that many of the new Indonesian firms have passed into Chinese hands, although the facade of Indonesian ownership is retained in order to reparticipate in the privileges accruing to Indonesian firms. Several well-informed businessmen have said that they believe the Chinese share in Indonesia's foreign trade is greater than before the War. By hard work and thrift they have overcome the legal handicaps put in their way.

The Chinese control of the rice trade became a target of special criticism. Most of the rice mills in Indonesia, as throughout South-East Asia, are Chinese-owned and before the War the Chinese conducted the whole trade. After independence the Indonesian Government decided to nationalise the rice trade leaving, however, the mills in private Chinese ownership, working on a commission basis instead of as traders. The first attempt to accomplish this produced confusion. The business demands great skill: an experienced rice dealer can tell the quality and moisture content of rice at a glance but such experience is very slowly acquired. Recently, it is said, the Government has begun employing former Chinese rice merchants on the staff of its rice organisation which consequently is working with greater efficiency. Perhaps now the Indonesian authorities are forming a juster estimate of the economic value to the country of this industrious and able minority.

RUSSIA IN CHINA

By O. M. Green

FOR fully a fortnight after Stalin's death Peking Radio filled the air with the Chinese Communists' lamentations. Model workers publicly pledged themselves "to become fighters in Stalin's cause." In 23 cities some 2½ million workers assembled mournfully at memorial services to China's "great friend." And (a particularly imaginative touch, this) tens of thousands of peasants and workers wrote to the Soviet people to express their condolences and "deep affection for their Soviet friends."

No less than this could be expected after the extraordinary outburst of adulation for everything Russian suddenly switched on by Peking last October and unceasingly reiterated ever since. The whole world must be shown that the Russo-Chinese alliance is, if anything, stronger than ever. This was the note struck by Mao Tse-tung in a glowing eulogy of Stalin written for the official "People's Daily" and re-echoed in Moscow. Yet, while the necessity of a Russo-Chinese *mariage de convenance* is clear to both parties, one may well ask how much human feeling there is behind it on the Chinese side and how much cause they may have for loving the Russians. In so much froth it is worth considering a few facts.

In the past 100 years no Power has so ruthlessly despoiled China as Russia; none has so cynically seized on China's misfortunes to use them for her own advantage. Always the Russian policy has been the same, whether under Tsars or Commissars. Nor in modern times has Russia shown the slightest inclination to favour the Chinese Communists when it seemed that help given to the Nationalists would pay bigger dividends.

The despoiling was begun in the 1850's by Muraviev, Governor-General of Eastern Siberia, when China was racked first by the T'aiiping Rebellion, then by the war with Great Britain and France. In 1854 Muraviev sailed down the Amur with a strong force (which was an open breach of China's rights); founded the cities of Blagovestchensk, Harbarovsk and Nikolaievsk in Chinese territory; peopled them with Cossacks and miners and farmers from Trans-Baikalia; and by 1860, under a thin pretence of guarding China from an Anglo-French attack, had coerced her into ceding to Russia the Amur province in the great bend of the river to the coast, and the coastal province of Primorsk with Vladivostok at the foot—territory, in all, nearly twice as big as France.

The next move was in 1896 when the veteran statesman Li Hung-chang was invited to St. Petersburg for the coronation of Nicholas II and was cajoled (or browbeaten) into granting Russia a concession to build the Chinese Eastern Railway across upper Manchuria, linking the Trans-Siberian with Vladivostok in a straight line. Li was reminded that Russia deserved something for having

compelled Japan, the year before, to hand back to China the Kwantung peninsula in South Manchuria (which she had taken as part of the peace terms of the Sino-Japanese war); and Muraviev's old argument was again trotted out, that the railway would enable Russia to bring in troops swiftly in case of another Japanese attack.

Two years later Russia also obtained the lease of Dairen and Port Arthur in the Kwantung peninsula, and permission to build a branch line to them from the C.E.R. down through central Manchuria. The right to police a wide strip on each side of the railway gave Russia a pretext at the time of the Boxer Rising in 1900 to fill Manchuria with troops. Had she not been defeated by Japan in 1905 and forced back to the northern half of Manchuria, there is little doubt that the whole of this great rich country would have become part of the Russian Empire.

The story of Outer Mongolia is too long to detail. Briefly, the Revolution of 1911 threw the Mongols into prolonged confusion, and after the First World War, "the mad Baron" Ungern-Sternberg attempted to create a Pan-Mongol kingdom (to include Tibet). Russian troops marched in to destroy Sternberg and help the Mongol People's Revolutionary Party to establish a Communist Government. There they have stayed, shutting Outer Mongolia's doors to all outsiders. China's nominal sovereignty was recognised, but this vanished in 1946 when by a plebiscite Outer Mongolia voted for independence. In effect the Mongols are now part of the U.S.S.R.

Chinese Communists are fond of asserting that the Russian Bolsheviks were the first to offer spontaneously to surrender all their rights and concessions in China and Manchuria. Such a declaration was made in 1919, the Bolsheviks being afraid at that time that China might help Admiral Kolchak and large numbers of White Russians in Manchuria and Siberia against them. But this danger had passed by 1923 when Joffe, the first Bolshevik ambassador to Peking, pointed out that the offer was dependent on condition of various undertakings which China had not performed. In the final treaty signed in 1924, Karakhan (Joffe's successor) whittled down the Bolsheviks' offer to a very innocuous form. The position of the Chinese Eastern Railway, in particular, remained unchanged.

Nominally the C.E.R. was under joint Chinese and Russian direction, but the Chinese were never more than figureheads. And after Japan had overrun Manchuria and created the puppet State of Manchukuo, Litvinov, after two years' haggling, sold the railway to Japan for £14,000,000, about a tenth of its cost. No consideration whatever was paid by Moscow to the fact that China's right of repurchase and, if she did not exercise this right,

the return of the railway to her gratis after 80 years were expressly secured in the original concession.

From the time of Japan's invasion of China in 1937 the Soviet's relations with the Nationalists and Communists are particularly illuminating on Stalin's indifference to anything but his own advantage.

The papers seized by Marshal Chang Tso-lin in his raid on the Soviet Embassy in 1927 showed plainly that the task assigned to Borodin (sent to Canton to advise Dr. Sun Yat-sen in 1923) was to bring all China under the Soviet's domination through the Communist Party, which he had knitted into the Kuomintang. But when General Chiang Kai-shek broke with the Communists and expelled Borodin in 1927 Stalin did nothing to assist the distressed comrades.

At this time and for eight years more Mao Tse-tung was regarded as a rebel for insisting on the peasants as the only true basis of revolution, in defiance of Stalin's ruling that the peasants were of secondary importance and that success could be won only through the urban workers.

Mao received no help from Russia while he was building up the first Chinese Soviet Republic in South-east China, none in his four years' very effective fighting with Chiang Kai-shek, none at Yen-an in the north-west to which he eventually had to retreat.

Stalin at this time was afraid of expansion westward from Manchuria by Japan, and her invasion of China in 1937 was the signal for the signing of a Sino-Soviet non-aggression Pact in August 1937. Until Hitler attacked Russia in 1941, Stalin gave the Nationalists unstinted help—loans to a total of 300 million gold dollars, aeroplanes, arm, munitions. That he had no great opinion of the Communists is shown by his remark to Harry Hopkins in May, 1945, that General Chiang Kai-shek was the only Chinese competent to secure the unification of China, and that the Communist leaders were not qualified for such a task. It all scarcely squares with the Peking "People's Daily" assertion that China would "never forget Comrade Stalin's special concern throughout his life for our revolution and our people."

But by the summer of 1946 Stalin must have realized that Nanking was a broken reed and Mao's Red Army was a formidable force. The way was made easy for the Chinese Communists to occupy Manchuria by the simple process of telling them when Russian troops were quitting a particular town some days before Nanking was informed; and they were allowed to collect the huge stores of arms left by the Japanese. Yet down to the last the Soviet's policy was guided purely by self-interest.

The fatal blunder made by President Roosevelt at Yalta of agreeing to Stalin's demand for the recovery of Dairen, Port Arthur and the Manchurian railways proves how little Stalin cared which Chinese party came out on top. And in June 1949, when the Nationalist Government was already at Canton and virtually on the eve of flight to Formosa, the Soviet extracted from it an agreement that gave Russia a monopoly of all air transport and airfields in Sinkiang. In a province mostly consisting of desert dotted with oases, which in the past 20 years has more and more been drawn into the Russian economy, this was a particularly useful gain.

The terms of the Sino-Soviet Alliance of February 1950, and of the further agreement last September, are too well known to be detailed. The Chinese got "face" by being recognised as equals of Russia; credits for 300 million gold dollars worth of machinery, a pittance compared with their needs; and promises. The Manchurian railways have been returned to them. But as Russia's troops are to stay in Port Arthur and her occupation of Dairen remains absolute and apparently not even discussed, she must still have a considerable say in railway management.

As one looks at China's present debt-bound dependence on Russia, the interesting question is why Mao Tse-tung invaded Korea in November 1950, and when he began to run into Russia's debt for arms. It is far from impossible that, as some believe, he wished to recover China's ancient suzerainty over Korea before Russia could get hold of the country through the powerful North Korean army she had created. Mao had overwhelming numbers of hard-bitten soldiers and in 1950 a considerable residue of the American arms captured from the Nationalists.

But in June 1951, when the Allies had stabilized their position, dolorous reports came from Korea of the Chinese army's lack of equipment. Then came an immense drive for "voluntary" subscriptions to buy aeroplanes, guns and motorized vehicles, and there was nowhere to get them but in Russia.

The Chinese are famous for their long memories, and it is impossible that the Communists have forgotten how Russia has dealt with their country and themselves. To allow any suspicion abroad or at home that there is any flaw in the alliance is obviously impossible. But they have expelled, or reduced to impotence, all other foreigners; and there can be no question—the frenzied drive for industrialization and increased production of every kind are there to prove it—that their abiding aim is to be free from the dependence on Russia, so cynical in all her conduct, so humiliating to all their recollections.

A MAN of Chou displayed in his shop both swords and shields. Justifying the price he was asking he boasted of their solidity.

Of the swords he said they would pierce anything whatsoever; of the shields he said they were so solid that nothing on earth could pierce them. So he went on until there came a man who said:—

"Just let me try your swords against your shields."

CHRISTIANS IN PAKISTAN

By A. Hyder

IN Pakistan the minorities form 20 per cent. of the whole population. They include Hindus, Christians, Parsis and Buddhists. Of these the largest number, next to the Hindus is that of Christians. Christianity is no stranger in this sub-continent of ancient religions, since it had its first contact with Christianity when Saint Thomas, one of the 12 Apostles, came to India. St. Francis Xavier was another of the early Christians who came to the sub-continent. In Pakistan there are hundreds of old Cathedrals, churches, convents and monasteries, most of them built in the 18th and 19th centuries. The Christian community is very well organized—a peace-loving community who are engaged in their various commercial, educational and administrative professions, they are largely centred in the Punjab and Bengal where they number nearly one million. The Christian population of Karachi is largely Roman Catholic. The Catholic Archbishop of Pakistan is the Rt. Rev. Alcuin Van Miltenburg, O.F.M.

In the Punjab there are about 20 exclusively Christian villages. The Government has allotted 5 more villages for Christian peasants. Religion is no bar in attaining the highest of positions in the state, and there are Christians holding important posts in all branches of civil and military administration. The defence forces have many high-ranking Christian officers. Every year a good number of Christian and Anglo-Pakistani boys join the Army, Navy, and the Air Force. A Pakistani Christian, Mr. Charles Lobo, who was a former Justice of the Sind Chief Court, was sent to the UN General Assembly as a delegate from Pakistan. He is at present member of the Pakistan Public Services Commission. Chief Justice Cornelius of the Lahore High Court is a Pakistani Christian. Two Christians represent their community in the Constituent Assembly of Pakistan.

The community has its political parties such as the Pakistan Christian League, the Y.M.C.A., and Y.W.C.A. have their branches in important cities. The Salvation Army, the Seventh Day Adventists, the Punjab Religious Book Society, the Pakistan Bible Society, and so on, enjoy perfect religious freedom. There are innumerable missionary societies and colonies all over the country.

The greatest contribution of the Christian community to the national and civic life of their country is their praiseworthy role in the fields of education and public health. There is a network of schools, colleges, hospitals, nursing homes, convents, etc., managed and run by various Catholic as well as Protestant Societies. Most of these educational institutions such as the Forman Christian

College, Kinnaird College for Women, Sacred Heart Convent, and St. Anthony's Convent at Lahore, Gordon Mission College at Rawalpindi, Lawrence College at Murree, Roman Catholic College at Lyallpur, St. Joseph's College for Women, Karachi, are among the best colleges of the sub-continent. Many of the Christian institutions are given grants-in-aid by the State. The newly-built Seventh Day Adventists' Hospital and Mission Centre in Karachi was inaugurated by the Begum Liaquat Ali Khan.

Most Pakistani cities like Karachi, Lahore, Rawalpindi, etc., wear an extremely gay and festive appearance during the Christmas season, and Muslims take an equally active and enthusiastic part in these festivities.

The Christians of Punjab recently sent a pledge written in blood to a State Minister saying they will fight to the last to save Kashmir from Indian aggression.

Recently the Government has decided to establish diplomatic relations with the Holy See.

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BALUCHISTAN TODAY

By Sylvia Matheson

Shepherd of Baluchistan

WORLD attention has been focused on Persia for some time. But Persia's eastern frontier joins that of an equally combustible area—that of Baluchistan, a little-known province of Pakistan.

Baluchistan, which is larger than Italy and whose population consists of less than a million wandering tribesmen, is one of the most vital strategic and potentially dangerous corners of the world.

To the west, Baluchistan's frontier runs for several hundred miles alongside the Persian desert, so barren, so desolate that even the local tribesmen are uncertain where one country begins and the other ends. To the north, a tangle of bare, bleak mountains forms a natural barrier between Afghanistan and Baluchistan, and yet in fact, forms no barrier at all to any tribesman who likes to pick his way across the passes. To the south is the Arabian Sea, and to the east the Indus Valley which formed the virtual frontier of Alexander the Great's territories when he invaded India two thousand years ago. The capital of Baluchistan is Kalat, which is also the name of the chief princely state in the region.

Those responsible for Kalat's future cast anxious eyes towards the West, uneasily surveying recent events in Persia and watching the increasing power of the Communist-dominated Tudeh party which has even penetrated the Army at its lowest levels. They fear that when the Tudeh party finally administers its coup d'état, Soviet power will sweep down to the Persian Gulf and confront the Western world with its gravest peril since World War Two.

For it is no secret that Russia has had her eyes on a warm sea-board for many years. She is pouring food into Persia, one of the best ways there is of convinc-

ing an undernourished people that Communist domination is desirable. And numbered among Persia's population are two and a half million Baluch tribesmen, including 64 per cent. of the population of the oil-town of Abadan.

For nearly five hundred years these tribesmen have looked to the state of Kalat as their homeland, and they still maintain very close ties with Baluchistan generally. Should Persia become another Soviet satellite, it is easy to see how the Persian Baluchis could influence their brethren across the nebulous frontier and in turn, spread the doctrine of Communism to the two million Baluchis living in Sind and the nearly two and a half million in the Punjab. And from Pakistan to India, where Communism is already presenting a problem, and from the sub-continent to the Moslem world generally and the whole of the Middle East, would be but a logical sequence of events.

To the north, only the river Oxus divides Afghanistan from the Russian Moslem Republics of Tadjikistan and Uzbekistan, whose citizens are of the same racial stock and religion as the Afghans. And the flourishing collective farms and State factories present an attractive picture to the poverty-stricken Pathans. These in their turn, pass on the information about this "Promised Land," to their neighbours in Kalat.

What sort of a place is Kalat, which appears to be caught in the centre of this unpleasant web? Imagine a wild, desert country, and mixture of barren mountains and stony or sandy deserts, with a temperature range from below zero to 128 degrees! Some of the mountains, volcanic in origin, contain valuable minerals, sulphur, chromite, magnesium, limestone, copper, antimony, lead

and turquoise. There are others which are practically solid turquoise. There are others which are practically solid coal, and while oil in small quantities has already been found in the State, experts believe there is much more, a vast lake of oil, waiting to be discovered somewhere beneath the deserts of Kalat.

There are bubbling mud volcanoes and strange hot winds that last for 120 days, and other winds that kill every living thing that strays within their erratic path. There are earthquakes, electrical disturbances and dust-devils that whirl a hundred feet into the air as they dance across the desert. There are sudden sandstorms that wipe out whole caravans, and slow-moving, perfectly formed crescents of sand, high enough to conceal an entire regiment.

The tribes are mainly nomadic, wandering with their flocks of fat-tailed sheep, their goats and their camels, from the cold hilltops in summer to the warmer lowlands in winter, living in black, sprawling goat's-hair tents in the warm weather and in wattle and daub huts in winter. They are Baluchi, Brahui and a mixture of Pathan and Persian tribes, with a few Hindus on the Makran coast to the south. Most of the tribesmen are Moslems of the Sunni sect, casual, hospitable to a fault, generous, lazy, full of good humour and wit, and fiercely proud, ready to defend honour with their lives and only too eager to carry on a traditional tribal feud.

Today these tribes search in vain for a strong leader. The British Political Agents who formerly administered parts of Baluchistan, were backed with the full might of the powerful British Raj, and that was something they could understand and appreciate. But partition has split loyalties and created petty jealousies. The death of Jinnah and then the assassination of Liaquat Ali Khan, have deprived Pakistan of two of its most forceful leaders, and left a sad hiatus.

As one authority put it to me recently, "the tribes in Baluchistan are if anything, pro-British, but they are desperately poor and their country is quite undeveloped. This is the danger area, because of its proximity to Russia, and I am gravely afraid that if economic help is not forthcoming now from the west, the tribes may turn to Russia. And I would like to see them indebted, not to UN or to the Colombo Plan even, but to Great Britain; for the Baluch knows Britain of old, we trust the people she sends to us."

My informant went on to describe how Russia is actively engaged in winning over the more ignorant tribes. "The Russian Embassy in Karachi," he continued, "is open for 24 hours a day. Anyone, even the poorest, most ragged tribesman from the most remote and backward area of Baluchistan, can walk in and go anywhere he pleases. Some of the Russian staff are themselves Moslems, from the Russian Moslem Republics, and they entertain visiting tribesmen in their barely furnished bedrooms, pointing out that these rooms have to serve also as dining and living rooms, as well as offices."

The visitor will ask, "Where are your servants?" and he will be told that there are no servants in the

Russian Embassy, that the wives of the officials themselves do the housework and cooking; that money is not spent on outward show but on the workers and peasants at home. In proof of this, albums of photographs depicting well-nourished farmers and factory-workers in modern Kolkhozs, will be shown to the wide-eyed Baluch.

And as he goes away through the neglected garden—the Russians say they cannot afford to keep gardeners—he ponders on his reception and has to admit that as the Russians pointed out, he cannot walk into any other Western Embassy in Karachi and be received with such open hospitality.

I was given a final example of Communist activity in Pakistan. At an International Industrial Fair held in Karachi in 1951, Britain made a poor showing. Her exhibits were few, they were uninspiring or else there was nothing to show that they were British. By contrast the German stand gave an impression of a flourishing, prosperous nation and attracted great crowds, if only because people were so surprised to see a beaten enemy country produce so magnificent a display; but the greatest attraction of all was the stand from Red China.

Staffed by grave, bearded mullahs, it exhibited shining tractors; enormous photographs of the poverty-stricken China of six years ago, contrasted with others showing village communities happy and prosperous under the Red Star. An unending stream of visitors wound past this stand, listening to the mullahs explaining the exhibits and adding, "We are your brothers, we are of the same faith, we would not lie to fellow Moslems."

An ill-educated, undernourished tribesman could hardly be blamed if he pondered on these things and concluded that perhaps indeed the Communist doctrine had much to recommend it!



FROM ALL QUARTERS

Vietnamese Army

The recent decision of the Franco-Vietnamese High Military Committee to raise 54 Vietnamese battalions this year, may ultimately lead to the Viet-Nam Government taking full responsibility for the defence of the country. M. Letourneau, the French Resident Minister in Indo-China, recently stated that the change-over would be a gradual process but within a few weeks the French Command hopes to hand over a large area in Cochin China where conditions are more settled. At present there is to be no reduction in the strength of the French Expeditionary Force, since the aim is to achieve numerical superiority over the Viet Minh, but more French troops in Indo-China will be available for offensive duties.

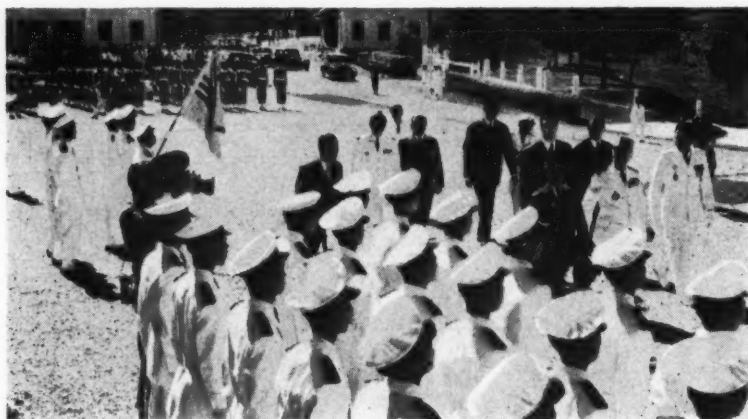
By the end of 1952, Vietnamese forces numbered about 155,000 men, in addition

to 60,000 serving as members of the French Union forces. About 7,500 Viet-

namese non-commissioned officers and 2,500 officers are now serving in the Vietnamese Army and more than 1,300 new regular and reserve officers are being trained annually.

Since 1946, France has spent roughly £1,200 million on the war in Indo-China. The allocation for 1953 is £380 million, and is a little less than the 1952 figure. The Vietnamese financial share has increased, and this year's military budget amounts to nearly £48 million. The increasing part played by Vietnamese forces is also reflected in the casualty figures. In 1946 Vietnamese casualties accounted for nine per cent. of the total—in 1952 they increased to 52 per cent.

The pictures show Vietnamese detachments on parade in Saigon during the celebrations of Viet Nam's Independence Day on March 9th.



South Pacific Conference

The second South Pacific conference will open in Noumea, New Caledonia, this month to consider ways to improve the health and economic and social standards of the peoples of the island territories in the region. More than 60 delegates representing 18 Pacific island territories will attend the conference which will last about 10 days and will be under the chairmanship of the French senior commissioner. The first South Pacific conference was held at Suva 3 years ago to allow delegates from the island peoples to discuss common problems, including their economic and social developments.

Blind Welfare in Indonesia

With an adequate programme of social and economic development, Indonesia's present 600,000 blind—one of the highest figures in Asia and in the world—can be reduced to about 120,000 in 50 years. The UN technical assistance expert, Sir Clutha Mackenzie of New Zealand, himself sightless, has submitted recommendations for blind-welfare services and a campaign against blindness to the Indonesian Government.

In his report, submitted last month, Sir Clutha proposes, as a matter of urgency, the establishment of a chain of base hospi-

tals from which units of eye specialists would be able to visit Indonesian villages. He recommends the immediate establishment of a small national council on blind welfare. Other recommendations would include vocational training for the blind, establishment of a demonstration centre for teachers, extension of Braille and library services, and travelling projectors showing films on preventing blindness.

Sir Clutha Mackenzie has already made surveys of blindness in Singapore, Ceylon and India, at government request, for the United Nations.

Anti-Communist Geese

The newest recruits in Malaya's anti-Communist war, are thirty-two pairs of geese. Bearing in mind that geese once saved Rome from being sacked by the Goths, their ancestors will now be called upon to cackle at the approach of Communist raiders at night. They will be tried out in Johore State where they will be placed in pens around a village. If these first experimental home guard geese will come up to expectation, hundreds more will be put into commission.



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BOOKS on the F

The Koreans and their Culture by CORNELIUS OSGOOD
(New York: Ronald Press)

Of all the countries in the Far East, now no longer as "mysterious" as in former years, perhaps the least known and understood is Korea. Its virtual exclusion, under Japanese occupation, from the rest of the world, and then its violent transition to an international battlefield, have tended to obscure its unique culture and its vigorous and tragic history.

The present study, written from first-hand observation and years of careful research, is an example of the best kind of American field work: painstaking, comprehensive and factual, written in a straightforward manner that is not without humour. Dr. Osgood spent some time in a farming village on the island of Kangwha, where he participated in the life of the community, and it seems that no details of domestic and public life have escaped his notice. But that is all to the good, since it is often the trivial items which help to give a picture "in the round" of everyday life in a remote region. Dr. Osgood says of his method of study: "Fortunately one need not eat a whole jar of *kimchi* to become familiar with the quality of that Korean national dish" and he maintains that by selecting a segment of national culture for study, the anthropologist can best approach the problem of understanding the culture of the nation as a whole.

However, to give a complete picture, the basic village culture must be correlated with that of the city. In Korea, urban culture was distinguished by the behaviour and values of the Yangpan class, and especially the officials and wealthy men among them. They concentrated in Seoul and dominated the life of the country. "Their lives," says Dr. Osgood, "represented a glittering intensification of the arts and manners of Korean society" and details of their mode of life complete the descriptive part of the book.

The second part gives an outline of the political history of Korea, and a resumé of Korean culture which covers most aspects, with one exception—the theatre, which is still surviving even under present conditions. A note on this would be helpful. The last section deals with modern Korea, dating from the period of the Japanese annexation until the Russian and American occupation, and the outbreak of war. Here Dr. Osgood has been admirably objective, when it would have been only too easy to praise or blame. He points out that in the occupation, Soviet favouritism for the industrial labourers and the masses of the agrarian population was inevitable, while the members of the wealthy ruling class particularly those who survived by cooperating with the Japanese, received little sympathy. The American attitude was one of goodwill, tempered by some fear of the unknown and the exotic. Dr. Osgood says: "Unprepared to make effective contacts with the ordinary villagers, and indeed going to the extremes of prohibiting any sharing of basic human activities, they proceeded to give advice, sometimes

FAR EAST

dictatorially, but more often in a democratic spirit naive only in assuming implicit political values which Koreans, lacking education and experience, could not even understand. The reaction of the American staff in the resulting confusion was frequently that of sympathy, but unfortunately too often summed up by shouting some personal opinion of "those damn Gooks." Confounded by the Korean personality, which expressed itself in political cliques and in personal violence and affected by the rising tide of anti-Russian feeling in the Western world, it was inevitable that the United States should foster the assumption of power by a reactionary group of Koreans who could be depended upon to oppose Soviet domination of the Peninsula. An occupation whose aim was to liberate a great nation and to promote free and democratic government was concluded with two Korean armies firing at one another over an arbitrary boundary, each under the guidance of the advisors of the liberating powers. Thus was an unaggressive Korea brought to civil war for the first time in a thousand years.

This book ends on a note of despair. Yet this alone would make it worthwhile, for it is all too easy today to assume that the brash and noisy politician, bristling with self-righteousness and the "democratic way of life" is the typical American of his time. Yet, as this book shows, although the author has no political views to air, but simply wishes to record facts, there are fortunately others, quieter, whose voices are not heard in the present clamour, but whose fairmindedness, curiosity, willingness to see and to learn, represent much that is best in American intellectual life.

M. KERSLAKE.

Buddhism. Vol. II. Mahayana. Great Religions of the East Series by C. H. S. WARD (*Epworth Press*, 15s.)
The Meaning of Life in Hinduism and Buddhism by FLOYD H. ROSS (*Routledge and Kegan Paul*, 15s.)
Vedanta for Modern Man Edited by CHRISTOPHER ISHERWOOD (*George Allen and Unwin*, 25s.)

The Mahayana form of Buddhism has always attracted more attention (especially in the West) than the Hinayana School, and many of the greatest names in Buddhist philosophy and religious interpretation are those of Mahayanist teachers. In his small work of some 200 pages Mr. Ward has traced the emergence of Mahayana doctrine and interpretation in broad outline, leaving space for more detailed treatment of the leading Mahayanist movements of China, Tibet, Japan, and Mongolia. The author has done his work well; a glance at the bibliography at the end of the book shows how skilfully he has chosen his authorities. He has, further, achieved the well-nigh impossible; he has written a student's manual which will not overtax the general reader.

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quâ life—for most of his readers, he shows how man has been on a perennial pilgrimage from his first setting out on his quest for the meaning of life. Originally, we are to believe, man struggled toward a hidden goal, ill-defined and yet compelling; he sought he knew not what only because he was impelled by a force he did not understand. Ancient India's conception of life and of the nature of the self are vividly presented; the art of Yoga, Hindu and Buddhist teachings and "guides to the way" are critically examined. Here is a most stimulating and rewarding, though occasionally uncomfortable, book.

Vedanta for Modern Man is a symposium, a collection of articles by more than 30 writers, some contributing more than one offering. Although we cannot endorse the editor's claim that Vedanta now shows itself a new religion, this book will introduce many for the first time to a satisfying metaphysics for the atomic age. The scope of the book is as wide as Vedanta itself; few aspects of human life, experience, and striving are missing. The universality of Vedantism is fully appreciated by the reader who notes what effect the impact of the teaching has on minds separated by half the earth in birth and training.

NEVILLE WHYMANT.

One in All compiled by EDITH B. SCHNAPPER (John Murray, 7s.)

This little anthology—one of the admirable "Wisdom of the East" series—has as its object the underlying unity between the various religious systems. The aim in each

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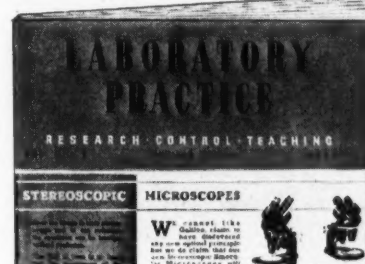
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case is the same—namely, the search for truth, with God as the ultimate goal—although language, mode of presentation, beliefs and practices vary with each religion. These differences, together with the fundamental unity, have been clearly brought out by Dr. Schnapper's method of compilation.

The Wild Sweet Witch by PHILIP WOODRUFF (*Pan Books*, 2s.)

This vivid and absorbing novel, set against an authentic Indian background, is now available in a cheap edition. The story of hunting, of revolt and warlocks, and descriptions of local customs and traditions, takes place in Garwhal, a remote district of India which Mr. Woodruff knows well, and his evident enjoyment of it is communicated in a pleasing and sympathetic manner.

Y. L.

The Ardent Pilgrim by IQBAL SINGH (*Longmans*, 10s. 6d.)

This is an extremely interesting study of the life and work of Asia's great poet-philosopher Dr. Mohammad Iqbal, who died at Lahore in April 1937, fifteen years ago. As the author himself points out, Iqbal never became popular in Europe because his poetry was "obtuse and provocative," and so very different from the dream-twilight of Omar Khayyam and Tagore who still remain the West's idea of the Eastern mind.

A number of books have been written on Iqbal as a thinker and visionary, but Iqbal Singh in his book has a different approach, and sees the poet against the perspective of India's modern history, against the social, economic, political, psychological and intellectual background of India's Muslim middle class, with all its hopes, frustrations and contradictions. The author's attitude towards Iqbal is intensely sincere and his assessment and appreciation of Iqbalian philosophy and metaphysics very clear and precise. He remarks that of all the various world-views of different periods of human history Islam, due to a number of adverse circumstances, has received less attention than it deserves. "For modern thought and modern science owe an enormous debt to medieval Muslim thinkers," he continues, "this debt is bound to be recognized as modern research discovers a more balanced perspective and frees itself of its parochial Western European complex. Iqbal's attempt at reconstruction of the cultural and philosophical heritage of Islam represents a pioneer work."

Iqbal's verse cannot easily be rendered into English without losing the grace, music, and richness of its original Persian or Urdu. Some successfully translated poems may remind the Western reader of Dante, Milton, or Rilke, yet full justice cannot be done to the absolute beauty and grandeur of his thought and diction in any foreign language. Still, I think that the author could have easily quoted less sparingly, and a few more poems from "The Stroke of Moses" and "the Wing of Gabriel" could have proved an excellent introduction to Iqbal's text as well.

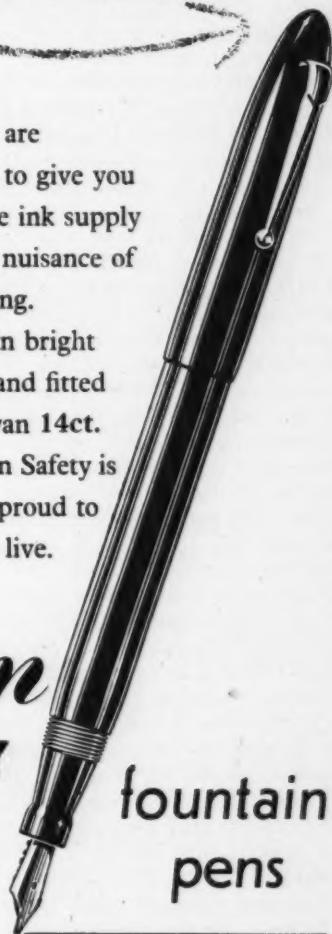
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Caste in India by J. B. HUTTON (Oxford University Press, 16s.)

Students as well as general readers will welcome this revised edition of *Caste in India, its Nature, Function and Origins*, which was hailed at the time of its appearance in 1946 as the best and most open-minded of the innumerable works on the subject. A proper understanding of caste is essential for everyone who is anxious to grasp the meaning of Hindu civilization. It is the oldest and most vital of Indian institutions, and has survived the assaults of innumerable reformers throughout the ages, from Gautama Buddha to Mahatma Gandhi. It is an integral part of the Hindu religion, which teaches that the individual's caste is determined by his *Karma*, or deeds in previous incarnations. A Caste may be broadly defined as a group of families fenced off from other groups by a complicated set of rules as regards occupation, diet and marriage. Every Hindu is bound to observe the rules of his caste and to do nothing to transgress those of other and higher groups than his own. The penalty for their violation is social ostracism, and the offender can only obtain readmission by submitting to degrading and costly ceremonial purification at the hands of the priesthood. In northern India, caste apparently originated in the colour-bar (*varne*); the fair-skinned Aryan conquerors treated the earlier inhabitants, the swarthy Dasyns, with much the same contempt as was the fashion among the European invaders of Africa in the nineteenth century. But in the Dravidian south, whither the Aryans never penetrated, innumerable social groups based upon birth (*jati*) existed from time immemorial, and caste in Southern India is infinitely more rigid than in the north. Professor Hutton's book, which is to a great extent based upon his experiences gained as Director of the Indian Census of 1931 and his own intensive studies of the Angani and Sema Nagas, is a mine of information upon the social habits and customs of the primitive folk who make up nine-tenths of the Indian population and are still in much the same condition as they were at the dawn of history. It consists of three main divisions: I. The Background, a general survey of the Indian castes. II. Caste, its structure, sanctions and functions. III. Origins, in which the author discusses the various theories put forward and advances his own conclusions about the origin of caste. There is

also a number of valuable Appendices dealing with the connection of Hinduism with the aboriginal religions of India. The author's general conclusion is that in the medley of race and religion which made up the Indian subcontinent, caste made it possible for the demands of geographical unity and diverse origins to be satisfied within a single social system. The Indian caste system should therefore be regarded as a sort of organic response to the requirements of a particular case.

H. G. R.

China's Dragon Robes by SCHUYLER CAMMANN (New York: The Ronald Press)

Although many Chinese dragon robes are to be found in museums and private collections in the West, very little has been published about them, and the material which has appeared has usually been limited to describing the robes as examples of textile work, rather than giving an account of their history and function.

The "dragon robe," put simply, is a long garment that was worn by courtiers and officials of the later dynasties in China and on which the principal pattern consisted of dragons. This form of decoration was especially popular during the Ch'ing Dynasty (1644-1911) when the dragon became almost the official symbol of China. Although almost all court and official robes of this period were embellished with dragons, the "dragon robe" proper was a specific type of semi-formal robe, and the origins and history of these robes are here described by Dr. Cammann. He traces their development from the T'ang Dynasty when during the reign of the notorious Empress Wu the court gave out embroidered robes to officials above the third rank, and so through the succeeding S'ung, Ming, Manchu Dynasties, each period, particularly the Ming, contributing or making changes in the basic pattern and in the usage of the robes, until with the later Ch'ing Emperors, every aspect of the dragon robe, its embroidery, usage, material, were rigidly fixed by law.

Of particular interest is the chapter dealing with the symbols used on the robes—symbols to induce wealth, power, happiness and other blessings. After the fall of the Ch'ing Empire, when the unsettled conditions made it possible to seize power by force, the symbols of aspiration became meaningless, and today few modern Chinese can correctly interpret the symbols on dragon robes.

In addition, Dr. Cammann gives details of the making of the robes—weaving techniques, dyes and the stitches used in embroidering. Lastly, he gives an account of the dragon robes worn outside China.

A valuable contribution to the study of an important but hitherto neglected aspect of Chinese culture.

K. RADCLIFFE.

India in Test Cricket 1932-1952 by D. N. BACHA (Bombay: Hind Kitabs, Rs. 2-14.)

This is quite a readable collection of articles on Indian cricket and Indian cricket personalities with due attention to the opponents whom Indian test players met in India itself and also in Australia, England and the West

Indies. Mr. Bacha is an obvious enthusiast and he knows the game and is not niggardly in praising his heroes whether they are Indian, Australian, West Indian or English. It is pleasant to observe the fairness with which he describes the various matches selected to illustrate his theme. Cricket is a subject on which India and Pakistan are more agreed than on other matters of perhaps greater importance, but it is at least a satisfaction to know that this medium for friendly intercourse despite differences of nationality and race has not lost its appeal if even to the point of including in the advertisement pages an announcement from a publishing house which seeks to encourage Indians to read Russian literature despite the fact that so far as is known cricket has not yet come within the perview of Russian sport.

EDWIN HAWARD.

REVIEW OF REVIEWS

A DETACHED and reasoned argument is always more convincing than one in which facts and logic are influenced by emotion. Examples which illustrate this are provided by two articles; one is by Dr. Ling Nai-jui in *The Review of Politics* (Notre Dame, Indiana) for January called "Three Years of Communist Rule In China," and the other, in *Pacific Affairs* (Vol. XXVI, No. 1) entitled "The Three-Anti and Five-Anti Movements in Communist China" by Professor Theodore H. E. Chen and Mr. Wen-Hui C. Chen.

Dr. Ling's 33-page survey of what the Communists have done in China since they came to power contains a number

of pertinent observations, but it is clear that, so utterly is the author opposed to Communism that he refuses to concede even a grain of credit to the Peking regime. Some of the points he makes are to a large extent nullified by his footnotes which show that his information is largely derived from sources which disseminate anti-Peking propaganda, or, where they are quotations from Communist papers, are up to two years out of date. Generalisations such as that "the Chinese people are already fed up with the Communist regime" are simply his own insular reactions. That there is an opposition to Communist rule within China cannot be denied, and is indeed not denied by Peking, but it is surely wishful thinking to attribute such opposition to the whole of the Chinese people. The trouble with Dr. Ling, as with many commentators on China today, is that he transplants his ideas and wishes as facts of the situation: "... persistent efforts made by the western Powers," he says, "to pull Communist China away from the Russian orbit have been all in vain." The contrary is the case. Persistent and continuing efforts are being made to prove that China is wedded irrevocably to Russia. Dr. Ling is not very realistic.

The authors of the article on the "anti" movements in China are much more objective, and no less anti-Communist, intellectually, than Dr. Ling. They explain why the Communists found it necessary to institute first the "three-anti" campaign (corruption, waste and bureaucracy) directed against members of the Government and Party, and then the "five-anti" drive (bribery, tax evasion, fraud, theft of State assets, and leakage of State economic secrets). The result of the three-anti campaign was a purge of such wide dimensions that new party members had to be found to replace those officials who had been removed from office. The five-anti movement was directed against the "bourgeoisie"; not to eradicate them, "but to undermine their ideology and influence." The whole article is most interesting and shows clearly to what extent the Communists will go to maintain "purity" and unity of the party.

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The Chinese, but this time in Malaya, were the subject of a talk given to the Royal Central Asian Society by Dr. Victor Purcell, now printed in the Society's journal (Vol. XL, part 1). He spoke of the position of the Chinese squatters and the Malayan Administration's experiment of transferring them from the jungle to newly constructed villages. He spoke of the policy of reprisals against villagers who fail to give information about bandits. In the early part of the emergency reprisals were carried out not by design or policy, but because police and soldiers struck blindly "at the apparent source of their enemy." Now, under General Templer, reprisals have become part of the policy, and

Dr. Purcell rightly condemns them and says they solve nothing. He knows reprisals are wrong but, unfortunately, the right approach to the villagers he frankly admits "stumps" him.

A magazine which turns up regularly and is always worth reading is the *North Borneo News*, published in Sandakan. It contains a wealth of information about what is going on in Borneo, which is very useful since that country is so little discussed elsewhere. The issue for January 22nd contains a very enlightening article which holds up the two Colonies of Sarawak and North Borneo for comparison on the basis of the 1951 reports of the two territories.

ASIAN SURVEY

BURMA

Chinese Nationalist troops in the north of Burma have been causing the Government in Rangoon some concern in recent weeks. At the beginning of March the military command in north Burma carried out a full scale attack against the Chinese intruders. They were pushed out of the small town of Mong Awt, and further engagements are being fought in the Mongshat area. The Kuomintang troops, who are estimated to be about 12,000 strong, and are commanded by General Lu Kuo-chuan, who recently replaced General Li Mi, are combining with Karen rebels in attacks on garrisons and Government-owned mines.

The Prime Minister, U Nu, told the Burmese Parliament last month that the matter of Nationalist troops would be raised at the United Nations in New York in spite of any complications which might arise. U Nu said he did not care what the reactions of Chiang Kai-shek's Government might be. He said that the Burmese Government had asked the United States Government to use their influence towards the withdrawal of Kuomintang troops from Burma; India had also been asked to help. Nothing had been done, so it was to go before the United Nations.

CHINA

The death of Marshal Stalin and the consequent changes in the Russian Government dominated the Chinese scene last month. The newspapers carried picture galleries of the new Soviet leaders, reactions from the people in all parts of China, and masses of articles and editorials in appreciation of the dead Russian leader. The most important article, which appeared in the *People's Daily* of March 9th, was written by Mao Tse-tung. In it he called Stalin "the greatest genius of the present age," and went on to praise him as the man who transformed the world situation by his creative development of Lenin's theories.

On the anniversary of the death of Sun Yat Sen on March 12th, Soong Ching-ling, Sun's widow and now Vice-Chairman of the Central People's Government, attended a ceremony at the house in which Sun used to live in Shanghai. In

Peking the Kuomintang Revolutionary Committee held a meeting in commemoration of the event. Li Chi-chen recalled Sun's revolutionary work, but then went on to use the occasion for eulogising Lenin, Stalin, and Russia generally.

FORMOSA

The Commander-in-Chief of the Nationalist Air Forces has stated that within a matter of months American jet planes will be used by the Kuomintang Air Force to hit at the mainland of China. Training is going ahead at the moment under American instructors, and the C-in-C was confident that such attacks could be carried on without fear of retaliation by the Communists.

INDIA

Mr. Chester Bowles, United States Ambassador to India, left Delhi last month for America. The new envoy appointed by the Eisenhower Administration is Mr. George Allen, former Ambassador to Yugoslavia. In a statement before his departure Mr. Bowles said that he had been impressed throughout his stay in India by the extraordinary progress made since independence.

INDO-CHINA (Viet Minh)

A joint meeting between the standing committee of the Vietnamese National Assembly and the national committee of the Lien Viet took place recently at which tasks and work for the year ahead and mobilizing the masses were discussed. The resolution on mobilization of the masses laid down six points which, the meeting believed, would ensure that the people would be more closely united and would redouble their efforts to increase production. Briefly the points were: (1) The overthrow of reactionary forces; (2) Reduction of rent for land; (3) Preparation of a plan for the implementation of land policy; (4) Completion by the Government of land policy legislation; (5) Support of all people's organizations in the carrying out of laid down policy in support of the peasants; (6) Attraction of elements active in the resistance, consolidation and strengthening of the Front.

INDONESIA

At the second congress of the National People's Party held in Jakarta last month, the chairman, Dr. D. Gondokusomo, said that Indonesia must not get involved in a third world war. A policy of neutrality

was essential. He also urged that attention should be paid to the desires and interests of the regions. This remark was timely, since recent evidence indicates a slackening of effective administration over the regions by the central Government.

JAPAN

After holding office for only six months, Mr. Yoshida's Liberal Government has been defeated on a motion of no confidence in the Prime Minister. Japan will go to the polls on April 19. There has been much ill feeling recently among deputies in the Diet on questions relating to the occupation, relations with Communist China, education and other issues.

Mr. Hatoyama, who has never seen eye to eye with Mr. Yoshida, and whose vote with that of his followers was responsible for the downfall of the Yoshida Government, has decided to form a breakaway Liberal Party, to which he hopes to attract many of those Liberals who do not agree with the former Prime Minister's policies. The result of this split in the Liberal Party might well mean that the Progressive Party, under Mr. Shigemitsu—formerly imprisoned as a war criminal—will emerge by a narrow margin as the strongest single party, thus playing an influential part in a possible coalition government.

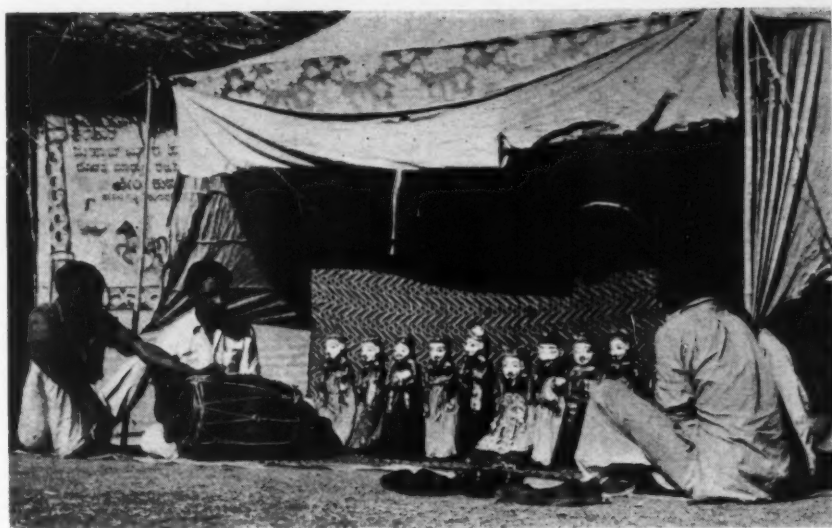
NEPAL

A spokesman of the Department of External Affairs has said that the Nepal-Tibet frontier was quite secure, and that he knew of no Chinese infiltration into Nepal from Tibet. Such a statement was to some extent prompted no doubt by the announcement that about 5,000 Nepalese living in Lhasa have been asked to leave Tibet.

The most surprising news item from Nepal was the report that the Nepali Congress has asked for the recall of the Indian civil and military advisers. Due to the rivalry of the two Koirala brothers, the Nepali Congress was split and consequently lost power. The Government was then taken over by the King who administers the country with the help of some officials who were closely connected with the former Rana Government. As India is supporting the King, Congress feels it has been let down by India, and now tries to show its dissatisfaction by demanding the withdrawal of the Indian missions.

PUPPETS FROM RAJASTHAN

By T. S. Satyan
(Mysore)



The Performance is about to start

HIDDEN behind a colourful curtain, Rajasthan's Mehtab Boora begins to manipulate his gorgeously decorated puppets. The melody of his songs, with which the drumbeats synchronise, quickly reaches the ears of passers-by. The unsophisticated farmer who has come to town for his week-end purchases, the school-master, the office clerks hurrying past and the group of young boys running home after school—all are attracted by his tunes.

Very soon an inquisitive crowd has gathered round his "theatre," and all are intently watching the beautiful puppets which begin to dance and play, weep and shout.

The cavalcade of Indian history marches past—an endless procession of amazing scenes. The court-dancer,

wearing a crimson costume interwoven with gold and silver thread, swings across the stage, while Akbar, the Great Moghul, and the members of his cabinet, watch her in profound appreciation. The spectators laugh as Birbal and Todarmal, the two famous clowns of Akbar's court, affectionately hug one another in greeting. They share the tribulations of Majnun, when, after snake-bite, Laila has quickly to minister to her great lover. There is suspense on the face of every one, as a Moghul soldier cunningly uses his elephant to defend himself against the onslaught of a Rajput opponent in a fierce fight.

Crowds like these have for many years been entertained by Mehtab's puppet shows. There was a time when he could rely for his income on the purses of villagers, either at the weekly bazaar or during the "melas." Today, things have changed considerably for him. The Indian peasants have been brought under the spell of the cinema, and the ancient arts are gradually losing their hold on the people.

For generations, Mehtab's counterparts all over India have shown to village audiences puppet plays based on mythology. Episodes taken from the *Ramayana* and the *Mahabharata* have been the classic themes for puppet artists. But Mehtab belongs to a small group of artists in Rajasthan who are unique in one way—they enact history with the help of their dolls. His characters vividly portray the lives of prince and peasant in the Moghul period and the manner in which they lived, dressed and behaved. Whilst through seeing South Indian puppet shows, the peasant audiences have learned the moral stature of epic heroes like Ram and Dharmaraya, they can now catch a glimpse of the pomp and chivalry of the Moghul period.

If only Indians could leave these cultural moorings intact and build their rural education programmes on a foundation of folk art, perhaps they could achieve quicker results.



Birbal and Todarmal, accredited jesters at Akbar's court, plan a political stratagem to the merriment of the audience.

ECONOMIC SECTION

What Future for Minerals in the East?

By Eric Ford

IT is becoming increasingly apparent that the underdeveloped territories will not willingly be cast for the role of suppliers of raw materials and food to the industrialized sector of the world. This is especially true of those territories of South-East Asia and the Far East where undeveloped mineral resources, properly exploited, could provide the sinews for future industries which would be complementary to the primary production which must admittedly play a dominant part in their economic life.

Alternatively, the mineral wealth of some territories could form the basis of a greatly expanded export trade. In this connection it is appropriate to recall the recent report of the Materials Policy Commission (better known as the Paley Report) which was appointed by President Truman with the object of appraising the likely trends in United States demands for raw materials over the next quarter of a century.

So far as minerals are concerned, the Report gives the impression that a feature of the next 25 years will be the gradual (in some cases, rapid) exhaustion of America's own resources,

and an increasing search for new overseas sources of supply. Clearly, the East, where mineral resources in general are only lightly exploited, could play an important part in meeting the deficiency.

Only of late has it become possible to attempt an estimate of the mineral resources of the area. In recent years, too, there has been a tendency to pay more attention to the exploitation of the wealth which lies under the soil. According to figures prepared by the United Nations Economic Commission for Asia and the Far East, mineral production in the region covered by the Commission's activities showed substantial increases during 1951. Nevertheless, some minerals of which the East possesses reasonable reserves will not figure in export plans, since their future role is to support local industrialization.

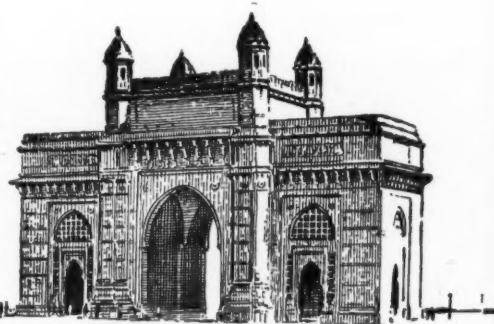
It should be noted, however, that outputs of many of these minerals (particularly coal) remain small in relation to the potential demands of an expanding industrial economy. Coal production, for example, which totalled 119,575,000 tons in 1951, was only about one-half of Britain's output in the same period. Japan is the leading producer (43,000,000 tons in 1951) with China (an estimated 40,000,000 tons) and India (34,000,000 tons) as her nearest rivals. Most coal is produced to satisfy local demands, although India exported 1,439,000 tons in 1951 (compared with 993,000 tons in 1950), mainly to Pakistan, Thailand, Singapore, Hong Kong, Japan, Australia and even some European countries.

Steady, if not spectacular increases may be anticipated in the future. Countries which are virtual non-producers at the moment, such as Burma, Thailand and British territories in Borneo, are to make earnest attempts to develop coal resources but any increase of activity in coal mining in Korea, Malaya and Vietnam must await the return of more settled conditions.

There can be no guarantee, however, that future coal supplies will match up, so far as quality is concerned, with the needs of local industries. Japan, for example, already has to rely largely on outside sources for her supplies of high-grade

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cooking coal, while India's reserves of this vital material are limited.

Nevertheless, it is known that there is no lack of coal beneath the earth's crust in Asia. As the result of two years of intensive research and on-the-spot investigations by ECAFE and Asian government experts, it has recently been established that known coal reserves in the region total some 557,000 million tons. Of this huge total, 445,000 million tons are in China, 68,000 million tons in India and 20,000 million tons each in Indo-China and Japan.

A more serious shortage is likely in the case of petroleum which may prove a limiting factor in transport development in the long run. In 1951, the total output of the area was of the order of 2 per cent. of total world production. Active prospecting has continued throughout the region, notably in China, Japan, India, Pakistan, the Philippines and North Borneo, but without significantly improving the situation. These attempts to discover and exploit new sources of crude oil are the more important since the Paley Report has indicated the United States future import needs. Since the publication of the Report itself, the U.S. National Security Resources Board has accepted the Commission's recommendation to seek low-cost oil imports.

Nor does the region as a whole measure up too well against the former dictum that a territory's industrial potential is in direct ratio to its output of iron ore. Although iron ore production increased during 1951, supplies were not large enough to offset rising demands in Japan, which is currently seeking supplies from the United States to supplement its imports from India, Hong Kong, Malaya and the Philippines. India, with an estimated output of 3,000,000 tons, was the leading producer, but China, whose production can only be guessed, is possibly not far behind.

These output figures, however, bear little relation to known reserves which are estimated to total some 11,000 million tons. India and China possess the greater part of this, with 5,087 million and 4,168 million tons respectively. In the Philippines

reserves are put at 1,019 million tons while Indonesia is credited with 899 million tons.

It is when the territories of Asia and the Far East begin to add up their production of the lesser-known metals that the region's latent industrial strength becomes apparent. It is here, too, that the future estimates of American requirements have their greatest relevance.

China, for example, with known reserves four times greater than the rest of the world put together, is the world's leading producer of tungsten. Chinese production figures are not available. Formerly the world's second largest producer, Burma's output has suffered from unsettled internal conditions and the industry has thereby been prevented from benefiting from the very high tungsten prices resulting from the diversion of Chinese supplies to the U.S.S.R. Towards the end of 1951, Korea's output of tungsten had recovered to reach about 200 tons of concentrates monthly.

Much the same situation obtains in the case of ilmenite, of which India remains the world's leading producer. Its position should remain unchallenged for some time to come, since new deposits are reported from Bombay. Malaya is producing ilmenite in increasing quantities and Ceylon plans to separate ilmenite and rutile from beach sands.

Chromite production is largely concentrated in the Philippines and Pakistan. Chrome ore production in the Philippines increased from 250,511 tons in 1950 to 334,571 tons in 1951, a trend which has since continued. Most of the ore finds a market in the United States, which obtained about 20 per cent. of its chrome ore from the Philippines in 1951. Pakistan's chromite ore output was of the order of 20,000 tons in 1951, and prospecting is being actively carried on in the hilly areas of Hindubagh (Baluchistan) and in Waziristan and Kalet State.

Both countries should benefit from firm United States demand in the future for the Paley Report estimates that U.S. imports of this commodity should increase by 100 per cent. by 1975.

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Paley Report estimates look to a 50 per cent. increase in manganese imports during the next quarter century. So far as the ECAFE region is concerned, India is the principal producer with the United States as its main customer. (In 1951 a third of U.S. imports of manganese ore came from India.) It is interesting in this connection to note that a United States firm, Brainaid International Company, concluded negotiations with India to instal a smelting plant at Orissa with an annual capacity of 25,000 tons of ferro-manganese. Mechanization plans are also in hand in other firms.

Among non-ferrous metals, tin takes pride of place. Despite unsettled conditions in Malaya and, to a lesser extent, in Indonesia, these two countries, with the addition of Thailand, produce between them over half the World's tin. It is the more disturbing, therefore, to learn from the Paley Report that U.S. imports of tin are expected to fall, a figure of 23 per cent. reduction being mentioned as possible by 1975. (Since U.S. rubber imports are expected to fall by no less than 80 per cent. over the same period, the future dollar-earning capacity of Malaya seems problematic.)

On the other hand, the Paley Report estimates that copper imports will rise by 130 per cent. during the next 25 years while lead and zinc will advance by 120 per cent. and 110 per cent. respectively. Japan ranks as the area's largest producer and consumer of copper, lead and zinc, but with growing demands at home is unlikely to have significant export surpluses in the future. The Philippines were the area's second largest producers of copper (12,712 tons in 1951), and India, although the 1951 output was only of the order of 7,000 tons, is pressing ahead with exploitation plans, it is believed with foreign technical assistance. The Indian Copper Corporation, with its three mines—the Mosaboni, Badia and Dhobani—is estimated to have ore reserves of 3,087,195 tons.

Other producers of copper, lead and zinc in the area include China, Burma, Thailand. Nationalist China is believed to be developing copper production in Taiwan, and a monthly target figure of 15,000 tons has been mentioned. India is making commendable efforts to develop her lead and zinc output. Early in 1951 the first shipment of zinc concentrates in India's history left the country for Rotterdam. Lead production in 1951, at 859 tons, compared with 627 tons in 1950.

According to the Paley Report, bauxite (aluminium ore) is likely to be one of the world's future precious metals for American imports by 1951 are expected to be some 300 per cent. above the present level. At the moment only Japan, China and India are producing aluminium in metal form (in that order of importance). Indonesia is an important producer of bauxite ore, all of it for export. During the first half of 1951, an estimated 100,000 tons of ore were shipped to Japan. India could probably also command considerable export surpluses, if the world price were sufficiently attractive. New deposits have been discovered in Madhya Pradesh. Further considerable deposits in the Thana district of Bombay will be worked when the present large reserves in Belgaum and Kolliapur are exhausted.

Of various non-metallic minerals in the region, sulphur is produced in fair quantities in Japan, while Ceylon leads in the production of graphite and India ranks as the largest supplier of high-grade mica in the world's markets.

Granted, however, that the mineral resources exist to maintain a reasonable, diversified industrial structure, many problems remain to be solved before the wealth under the soil can be put to practical use in factory or workshop.

Almost all mining enterprises require considerable capital for successful operation and capital mobilisation is an important and urgent problem. While every attempt must be made to mobilise available local resources, it is from the outside world that the bulk of the necessary capital must presumably come, whether through the Colombo Plan, American Point Four funds or the International Bank.

Nor will it be sufficient to import the necessary capital; it is also at least of equal importance to import technical knowledge. This is precisely the role of the United Nations Expanded

Programme of Technical Assistance, under which seminars, training institutes and advisory services are arranged and study fellowships awarded to native technicians. Among many such fellowships recently awarded to India, for example, are included such subjects as coal mining (tenable in the Netherlands), metallurgical processes (United Kingdom), metallurgy and mining utilisation (United States) and conservation of mineral resources (Australia).

As examples of the type of advisory services rendered by the ECAFE Secretariat may be quoted a survey of the Kalewa coal mines in Burma, consultations on certain technical aspects of steel projects in Ceylon and advice on the rehabilitation of Korean iron and coal mines.

Some of the most notable plans for future mineral development concern the iron and steel industry. A group of iron and steel experts from the ECAFE region is to undertake technical studies in Japan, and later in the United Kingdom and Europe. The itinerary will be planned to include operation with low-shaft furnaces, other plants turning out iron without blast furnace coke and plants for the preparation of scrap particularly heavy scrap.

Scheduled to begin in 1953, it is also planned to establish pilot plants in one or more of these; an electric steel-melting furnace; a small basic open-hearth furnace; a small rolling mill; and a plant for making iron without coke. This final suggestion has particular reference to the East, where supplies of suitable high-grade coking coal are not large.

Distinct possibilities would seem to centre round a current proposal to encourage joint research into metallurgical problems common to several small countries which individually cannot provide separate research teams but would contribute towards a common pool.

Nobody would claim, of course, that the rapidly-awakening lands of the East should devote a disproportionate share of their resources to the exploitation of their mineral potentialities. At the same time, no primary producing country can be expected to be content for ever to link its prosperity to one particular range of world prices. This tendency is likely to continue to develop so long as international exchange of commodities fails to expand.

It is probable that this fear was behind several recent governmental developments in the area. In Burma the government has entered into partnership with private enterprise in acquiring two important mining companies (Burma Oil Company and the Burma Corporation, which, in addition to being the world's largest producer of silver before the war, has also a sizeable output of lead and zinc). The government of Ceylon has signed a three-year agreement with UNESCO to undertake an extensive mineral survey. In the long-term plans of India and Pakistan there is provision for a considerable amount of investment in mining undertakings.

Throughout the entire region there is an urgent need for up-to-date mineral surveys. A recent ECAFE report has given some striking instances of this need. It is estimated, for example, that with its present number of technicians, it will take China at least 15 years to complete a geological survey of the country on a scale of 1:200,000.

In Indonesia, only 8 per cent. of Java has been geologically surveyed on a scale of 1:100,000 and 8 per cent. of Sumatra (1:200,000). Other areas with valuable products beneath the soils include Malaya (only 3½ per cent. of the country surveyed to a scale of one inch to one mile); Korea (5 per cent. surveyed) and the Philippines (10 per cent. surveyed). Here is one direction in which, at a moderate cost, the United Nations Technical Assistance campaign could do untold good, since it would pay the way for a scientific exploitation of the vast mineral resources of this huge area.

These, and similar developments, are in the interests of greater economic stability in the wide region of Asia and the Far East. As such, they will be welcomed by all those who believe that an economically prosperous East will prove a peaceful East.

GEOLOGICAL SURVEYS NEEDED

The inadequacy of geological surveys of South-East Asian and Far Eastern countries is emphasised in *Coal and Iron Ore Resources of Asia and the Far East*. Prepared by the Secretariat of the UN Economic Commission for Asia and the Far East (HMSO, 11s.). The report says that in India 300,000 square miles of the accessible parts remain to be geologically mapped on a one inch to one mile scale, while in the Federation of Malaya geological maps on this scale are available only for 3.5 per cent. of the whole country. In Indonesia only 8 per cent. of Java has been geologically surveyed on a scale of 1:100,000; and 8 per cent. of Sumatra on a scale of 1:200,000. Not more than 5 per cent. of Korea and less than 10 per cent. of the Philippines have been surveyed on a scale of 1:50,000. In Thailand a general geological map on a scale of 1:2,500,000 is

now available, but no detailed surveys have yet been made. As far as China is concerned, it has been estimated that, with the present strength of technicians, it would take at least 15 years to complete a geological survey of the country on a scale of 1:200,000.

The ECAFE report, which is a result of two years investigations and research, estimates that the known coal reserves of Asia and the Far East total some 557,000 million tons, of which 445,000 million tons are in China, 68,000 million tons in India, and 20,000 million tons each in Indo-China and Japan.

Of the total known iron ore reserves of the region, estimated to be almost 11,000 million tons, over 78 per cent. are in India and China (5,087 and 4,168 million tons respectively), with the Philippines (1,019) and Indonesia (899) being next in importance. Japan ranks as a rather poor fifth with some 170,000 million tons.

MALAYA'S TIN MINING INDUSTRY

By V. Wolpert



The Hong Fatt tin mine near Kuala Lumpur, reputed to be the largest man-made hole in the world. During the war the machinery was blasted to deny its use by the Japanese, and the mine flooded to a depth of 200 ft. Production has not yet reached the pre-war figure of 3,000 piculs of tin ore concentrated per month (Shell).

MALAYA is the biggest tin producer in the world, her output representing over one-third of the world's total (excluding the Soviet Union and China). The industry is a vital sector of Malaya's national economy and employs a labour force of about 50,000, and the factors affecting production and marketing of tin are of the greatest economic and political importance to the country.

Recent statements made by leading members of the tin industry emphasised with satisfaction the recent improvement in the security position in Malaya. They expressed, however, grave concern about the level of taxation and the lack of prospecting for new tin-bearing land. They also dealt with the price problem and the future of Malaya's tin mining industry in connection with world output and tin consumption.

TAXATION

Mr. G. W. Simms, Chairman of the Sungei Besi Mines, declared that:

"Having regard to the future development of the Malayan tin industry there are few things which could be more disastrous than

the Excess Profits Levy introduced by the present Government," and added that the allowances for depletion of property are at present woefully inadequate as an incentive, and the capital allowance on plant take no account of the greatly increased cost of replacement. He stressed the fact that in many countries, including the USA, Canada, South Africa and Australia, the mining companies were paying less taxes and described it as "almost incredible that the Excess Profits Levy should be applied to mining companies operating in Malaya," when the development of this industry represents a vital factor for the future welfare of that country, and when the UK Government is embarked on a policy of development of the natural resources of the Colonies and Protectorates.

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Mr. Ernest V. Pearce, Chairman of Malayan Tin Dredging, described the Excess Profits Levy as "iniquitous," called for the removal of this Levy, and as illustration of the effect of present taxation gave the following figures:

"Out of a profit of £1,200,548 no less than £771,228 is absorbed by profits levy, income-tax and excess profits levy, the last of which operated in respect of six months only. In addition, it should be noted that the company paid to the Federation Government in export duty alone the sum of £292,477."

These and similar statements drew attention to the fact that to maintain and to develop the level of tin production in Malaya it will be necessary to carry out big low-grade dredging operations which require a heavy capital outlay, and called on the Government for collaboration by reducing the present taxes.

MALAYA'S TIN PRODUCTION

During the 'thirties, when the level of production was regulated by an international restriction agreement, the output fluctuated strongly and amounted to 54,568 tons in 1931, 24,874 tons in 1933, 77,266 tons in 1937, and to 43,375 tons in 1938. As a result of these fluctuations the industry employed in 1937 a labour force of 88,000, while over 30,000 persons became redundant in the following year, when the labour force dropped to 58,000. In this connection it is noteworthy that by the end of December, 1952, the labour force employed in the mining industry of Malaya was 51,168, including 44,659 in the tin mining industry. Any reduction of mining activities and the release of workers from the industry in the present situation would have not only economic but also political consequences. During the war the industry sustained heavy damages, but in the post-war years when the world was "tin-hungry," and the work of rehabilitation was carried out, Malaya increased her tin production steadily, until it reached 27,026 tons in 1947, nearly 45,000 tons in 1948, about 55,000 tons in 1949, and 57,500 tons in 1950. During the last two years a slight reduction has taken place: the 1951 output amounted to 57,167 tons, and that of 1952 to 56,838 tons.

A further gradual decline of output seems to be inevitable, if intense prospecting for new tin-bearing land—which was prescribed by the international restriction agreement about two decades ago—will not begin immediately. "There is a crying need for more tin bearing land," declared an executive of a mining concern after his return from Malaya to your correspondent a few weeks ago. In this connection a detailed geological survey of the eastern parts of Malaya will be necessary. In addition, a certain remedy might be achieved by altering the existing dredges and by making them work several feet deeper than at present. But these alterations, if at all possible, would be a very costly process. Despite all the difficulties facing the industry, it is an encouraging sign that Malaya's imports of dredges and dredging materials increased from 6,231 tons valued at 8.2 million Malayan dollars in 1951, to 6,708 tons valued at 9.8 million Malayan dollars in 1952. The 1952 imports came from the UK (7 million), the USA (1.7 million) and from Australia (1 million).

PRICE AND CONSUMPTION

The average price of standard tin on the London Metal Exchange in 1952 was £962 per ton, as against £736 in 1950, and £1,060 in 1951. It is significant that while the prices of other commodities went down during the last few months, the price of tin remained nearly unaltered. Malaya's mining companies consider the present price level as satisfactory, but point out that a reduction of the price might force the marginal producers (mainly Chinese mining companies) to close down their mines.

Early this year the new American administration lifted all restrictions on consumption and carrying of stocks of tin in the USA. This decision has been welcomed by the industry which hopes that the consumption will increase in future. The USA is the largest tin-consuming country. While the world consumption figure for 1952 (excluding the USSR) was slightly under 130,000 tons, US consumption amounted to 45,500 tons according to the Tin Study Group, and to 49,350 tons according to American statistics.

THE FUTURE

What will the US civilian tin consumption be in the future? Is a comparison with the trend of 1949-50 appropriate? In December, 1949, the USA lifted the control on tin, and the consumption of 51,283 tons in 1949 jumped to 76,313 tons in 1950. (In 1951 the control was re-imposed following the outbreak of war in Korea, and the consumption dropped to under 62,000 tons in 1951, and to under 50,000 tons in 1952). In addition, in 1950, when 76,000 tons were used in the US, her Industrial Production Index was 200, while it stands now at over 220. On the basis of this calculation US tin consumption may reach the annual level of nearly 84,000 tons, in which case the world civilian consumption would equal the present production level. However, only the future can show whether this theoretical calculation will prove to be correct. It might take several months before US industry, which was "weaned" of tin by restrictive controls, will restart using it on a larger scale. The latest reports indicate that the demand for tinplate has increased lately, and in addition, it is to be expected that the new tin alloys, which were developed by the Tin Research Institute, will contribute to an increased consumption of this metal.

Apart from the civilian tin consumption, the great uncertainty facing the tin market is the stockpiling policy of the Western Governments, specially of the US Government. During the last years the surplus of output over consumption was absorbed by RFC, the US Government Reconstruction Finance Corporation. Neither the "target" nor the present level of stockpiling are known (the latter has been estimated at 160,000 tons), whereby the stockpiling policy is largely determined by the international political tension and by US internal politics. As several purchase contracts concluded by the RFC at the price of approximately 121.5 cents are to be executed during 1953, it appears unlikely that the RFC will upset the market by selling large quantities at a price below their own purchases.

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U.K. MINING MACHINERY EXPORTS TO S.E. ASIA

By a Special Correspondent

CRITICISM is often voiced by prominent Asian representatives that Britain is not sufficiently supporting the economic development of their countries, and that British industry does not give priority to deliveries of capital goods to that area.

An analysis of UK exports shows, however, an increase of exports of capital goods to S.E. Asia, and the following table gives the value of UK exports of the seven classes of goods—namely, iron and steel and manufactures thereof; non-ferrous metals and manufactured goods; cutlery, hardware, implements and tools; electrical goods and apparatus; machinery; chemicals, drugs and dyes; vehicles, including locomotives, ships and aircraft—which are important for the development of the national economy of these countries:

| | (all figures in million £) | | |
|------------------|----------------------------|-------|-------|
| | 1950 | 1951 | 1952 |
| India | 80.0 | 89.8 | 87.5 |
| Pakistan | 23.7 | 25.5 | 30.7 |
| Ceylon | 9.6 | 13.6 | 15.9 |
| Malaya | 25.8 | 43.1 | 44.9 |
| Burma | 4.0 | 6.0 | 7.7 |
| Thailand | 4.9 | 8.0 | 10.0 |
| Indonesia | 6.0 | 8.0 | 12.7 |
| Total | 154.0 | 194.1 | 209.3 |

The value of these exports in 1951 and 1952 represented 14 per cent of the total UK exports of these goods, and it is noteworthy

that in 1952 they amounted to 65 per cent. of the total UK exports to these countries. As the table shows, the trend of increased UK exports to South-East Asia continued during 1952, a slight reduction occurring only in the case of India.

A more detailed analysis proves, however, that UK exports to India of capital goods, which are included in the total of the above table, were higher in 1952 than in 1951. They were:

| | (all figures in million £) | | |
|---|----------------------------|------|------|
| | 1950 | 1951 | 1952 |
| Electrical goods and apparatus | 6.6 | 8.0 | 11.4 |
| Machinery and parts | 36.0 | 34.2 | 35.6 |
| Iron and steel and manufactures thereof | 6.1 | 6.7 | 7.8 |
| | 48.7 | 48.9 | 54.8 |

The problem of the supply of capital goods which are required for the execution of the development projects in South-East Asia was recently dealt with at the Session of the Committee on Industry and Trade of the UN Economic Commission for Asia and the Far East. The ECAFE Secretariat reported that the supply position had eased during the last year, and that at present it was, in fact, more the problem of securing foreign exchange than the matter of availability of supplies. Asian delegates to the Conference refuted Soviet charges that the Western countries were not supplying the necessary capital goods, and the Malayan delegate disclosed that, while Malaya exported in 1952 rubber valued at Mal. \$28.7 to the Soviet Union, the latter despite all pronouncements on Soviet capital goods exports, did not send any capital goods, and that the main Soviet export to Malaya consisted of 400 cwt. of caviare!

The development of coal, iron ore and other mining industries of South-East Asia is a vital factor in developing the national economy of these countries and efforts have been made in the last few years by the latter to develop their natural resources. The British mining machinery industry, which in the post-war period faced the task of re-equipping Britain's coal industry, increased its total exports and the exports to the East

U.K. MINING MACHINERY EXPORTS

| | 1950 1951 1952 | | |
|----------------------------|----------------|-----------|-----------|
| | £ | £ | £ |
| UK Total Exports ... | 4,637,179 | 4,966,710 | 5,017,523 |
| Inclusive to Australia ... | 463,200 | 556,393 | 623,931 |
| Inclusive to India ... | 294,034 | 387,617 | 418,436 |
| Inclusive to Malaya ... | 258,160 | 469,179 | 350,276 |

In January 1953, UK mining machinery exports to India increased to the value of £36,971 as against £29,802 of January 1952. In addition, exports to India in 1952 included machinery being valued at £1 million, metalworking (including boring drilling machine tools, valued at £1.3 million, portable power tools valued at £0.2 millions as well as hand tools.

India's total mining machinery imports recently increased considerably and were as follows:

INDIA'S MINING MACHINERY IMPORTS

| | (all figures in millions Rs.) | | |
|---------------------------------|-------------------------------|------|------|
| | 1950 | 1951 | 1952 |
| (8 month period April—November) | | | |
| For coal mining ... | 1.7 | 2.3 | 2.4 |
| Other mining ... | 4.7 | 4.5 | 8.6 |
| Total imports ... | 6.4 | 6.8 | 11.0 |
| Inclusive from UK ... | 5.0 | 5.3 | 8.2 |
| From USA ... | 1.4 | 1.1 | 2.4 |

India's increased mining machinery imports represent a reply to those friendly critics who maintain that while the Indian

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Government make an all-out effort to increase the agricultural production the development of the mining industry is somewhat neglected and not pursued with sufficient vigour, while an increased output and export of ores could easily pay for some imports of necessary foodstuffs. Mr. Reddy, India's Minister for Production, declared recently that the Indian Government have been devoting great attention to the production, distribution and conservation of coal, and added that, while the coal mining industry has been existing in India for more than 150 years, it has been organised on proper lines only since the War. India's coal output reached a monthly average of over 3 million tons during the first ten months of 1952, as against 2,869,000 tons in 1951, and 2,362,000 tons in 1938 (the latter figure includes Pakistan), and a still bigger output is expected due to newly imported machinery.

In this connection the increase of Indian exports of mining products is noteworthy and is shown in the following table:

INDIAN MINING EXPORTS

1951 1952
(8 months period April—November)

| | | | |
|----------------------------|-----|--------------|----------------|
| Total of metals | ... | 56,663 tons | 272,912 tons |
| Total of ores and minerals | ... | 935,042 tons | 1,434,630 tons |
| Grand Total | ... | 991,705 tons | 1,707,542 tons |

The value of these exports increased from Rs. 123.5 to Rs. 240 million during the respective 8 months periods. The 1952 exports include those of 915,467 tons of manganese ore valued at Rs. 139.3 million, out of which 632,666 tons were exported to the USA, 88,187 tons to Great Britain, 78,364 tons to Germany.

INDO-CHINA'S COAL OUTPUT

Indo-China's coal output which amounted to 494,000 tons in 1950 (about one-fifth of the country's coal output in 1938) rose to 625,000 in 1951, and reached 659,700 tons during the first ten months of 1952 representing an increase of over 183,000 tons as against the corresponding period of 1951.

Coal exports, which experienced a spectacular rise from 59,000 tons in 1950 to 203,000 tons in 1951, continued to rise at the beginning of 1952, but contracted sharply in the second quarter of 1952. This was due to a fall of exports to Japan which, together with France, is the main export market for Vietnamese coal. The total coal exports during the first six months of 1952 amounted to 61,000 tons (valued at 23 million piastres)—a decrease of 29,000 tons compared with the corresponding period of 1951.

The value of the total imports of the Associate States of Indo-China during the first half-year of 1952 reached 4.887 million piastres (58.4 piastres—£1) which is double the value of the imports of the first half-year of 1951. Imports included iron and steel to the value of 198 million, non-ferrous metals—32 million, metal goods—203 million, machinery—191 million, electrical apparatus—133 million and vehicles and railway equipment—337 million piastres.

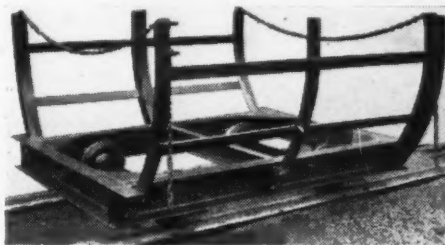
HONG KONG EXPORTS TUNGSTEN

During the first 11 months of 1952 Hong Kong exports of tungsten ore and concentrates were as follows: to the UK—280 cwt. valued at HK \$323,496, to the USA—2,728 cwt. (HK \$3.4 million); to Germany—40 cwt. (HK \$46,704) and to the Netherlands—979 cwt. (HK \$1.2 million).

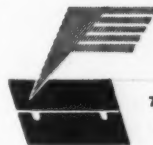
It is estimated that over 85 per cent. of the world deposits of tungsten ore (the Soviet Union excluded) are in China, and prior to 1948 over 25 per cent. of the world output was gained in that country. Large deposits are also in South Korea where the ore is being mined behind the front by American engineers and exported to the USA. As the demand is steadily increasing it is expected that Burma, Australia, Malaya and Thailand will step up their production of tungsten ore.

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THE MINING INDUSTRY OF INDONESIA

By A. James

INDONESIA'S tin mining industry, the second largest in the world, reached a new post-war record with an output of 35,003 tons (tin-in-ore) in 1952, representing an increase of approximately 13 per cent. over the 1951 output of 30,986 tons. Tin has been mined in Indonesia for over two centuries, and prior to the Second World War only Malaya produced more tin than Indonesia. The main mining activities were carried out on the islands of Bangka, Billiton and Singkep off the east coast of Sumatra. During 1940 and 1941 record outputs of 41,000 and 53,000 tons respectively were achieved, but during the Japanese occupation the mining industry suffered severely, equipment was destroyed or damaged, and a large underground mine was flooded. In 1946 only 6,000 tons were mined, but the work of rehabilitation was carried out with great vigour, and since 1948 about 30,000 tons were produced annually. There is a smelting plant on Bangka Island, where a small percentage of the output is smelted, but the greater part of the output is exported as ore to Arnhem, Holland, and to Texas City, U.S.A., for smelting. While the mines have been nationalised, the management of the Billiton mines is in hands of the Dutch Billiton Company and the contract of the management activities of this firm have been renewed for a further period of five years from March, 1953. On the other hand, the management of the Bangka mines is now carried out by Indonesian authorities and there is a strong feeling among the political parties of the country that the management of the Billiton mines should be transferred to the Indonesian authorities in due course.

The importance attached to the mining industry can be seen from the increased imports of mining machinery and apparatus into Indonesia. The imports of these capital goods jumped from 699 metric tons valued at 2.3 million Rupiahs during the first 10 months of 1951 to 1,875 metric tons valued at over 21 million Rupiahs during the corresponding period of 1952. Imports of these goods from the U.S.A. amounted to over 13.6 million Rupiahs (under MSA agreement), from the United Kingdom to over 3.5 million Rupiahs, from the Netherlands to nearly 1.5 million Rupiahs, from France to 1.2 million Rupiahs, and from Western Germany to 1 million Rupiahs. These imports are not destined solely for the tin mining industry, but to other branches of Indonesia's mining industry too, and it is hoped that they will contribute to an increased output of all branches of the mining industry which represents an important part of the country's national economy.

Oil

Before the War, the main centres of oil production in Indonesia were the Djambi fields in Central Sumatra, as well as the fields in Northern Sumatra and Java. The

annual output amounted to between 7.2 and 7.9 million tons of crude petroleum during the period of 1937-1941. The following table shows the output of crude petroleum during the post-War years:

| | | | |
|------|--------------|------------|----------------|
| 1946 | 302,000 tons | 1950 | 6,415,000 tons |
| 1947 | 1,113,000 | 1951 | 7,375,000 |
| 1948 | 4,327,000 | 1952 | |
| 1949 | 5,390,000 | Jan.-Sept. | 6,057,000 |

Indonesia's oil exports amounted to over 6 million tons in 1951, and to 5,037,745 tons during the first months of 1952. Indonesia has a two-way trade in petroleum products, and in connection with the increased home consumption of oil products, including high-octane aircraft spirit, the country's imports of these products increased during the last few years.

In addition to several small oil refineries, there is a big refinery at Palembang, South Sumatra, where indigenous oil and oil from British North Borneo has been refined. There are plans to refine high-octane spirit at this refinery in the future.

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Coal

Coal is being mined in Central Sumatra, in the Ombilin mines, South Sumatra, in the Bukit Asam mines, and in South-East Borneo. Before the War the annual output was slightly over 2 million tons, but extensive damage was caused during the Japanese occupation, and only 77,000 tons were mined in 1946. Despite rehabilitation work during the following years the pre-War level of production has not been yet achieved, and in 1951 only 862,000 tons were mined, which compelled Indonesia to import 35,000 tons of coal during that year. The Ombilin mines which before the War produced approximately 500,000 tons annually were able to produce only a tenth of this amount in 1951.

Bauxite

Bauxite is found on the islands of Bintan and Kojang in the Rhioiw Archipelago opposite Singapore. Before the War the record output of 275,000 tons was achieved in 1940, and the post-War period has witnessed a great extension of this industry. The output figures were as follows:

1947—25,000 tons, 1948—438,000 tons, 1949—678,000 tons, 1950—531,000 tons, 1951—644,000 tons, 1952 (January-September)—285,000 tons.

Bauxite produced in Indonesia is exported to the U.S.A. and to Japan, where it is processed into aluminium in large smelting works. During 1951 Indonesia exported 11,482 tons of bauxite, but the exports dropped to 154,257 tons during the first nine months of 1952.

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In addition to the above-described mining activities in Indonesia, small quantities of iodine and copper are being mined in Java and asphalt limestone in the island of Buton, south of Celebes. A thorough geological survey of the country may, however, lead to the discovery of deposits of other minerals.

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MINING IN CHINA

By G. A. Clayton

UNTIL the turn of the present century mining in China was practically non-existent. This was largely due to three powerful factors which mitigated against any activities in this direction.

Firstly, the inherent love of the land by the majority of Chinese farmers did not allow any of them to dispose of the smallest proportion of the family possessions for any purpose other than the growing of crops. Except in the rich alluvial plains of the lower reaches of the Yangtse, Hwangho and Pearl Rivers, every square inch of the millions of acres of paddy fields in China had been wrested by toiling muscles and sweat of generations of the farmers' ancestors; and it was the burning desire of every farmer to increase the area of his small holding so that he could hand down to his son more cultivated land than he received from his father, even if the increase were but a square yard or two. The land was the be-all and end-all of the farmers' existence, and the sale of that land would mean the loss of livelihood for the farmer and his family, besides which he would surely incur the wrath of the spirits of his ancestors should he even think of selling part of his land.

Secondly, the veneration of his ancestors, which was one of the more powerful factors in the life of a Chinese, would not allow him to do anything which his progenitors did not do. Any such act would show utter filial unpiety and would surely disturb his dead ancestors in their graves—an entirely unthinkable thing—and would thereby render him quite untrustworthy amongst his living relatives and neighbours. If, therefore, a farmer's ancestors did not burrow and delve into the ground for other purposes than for the growing of crops it ill behoved the living farmer to do so himself.

And thirdly, it was well known to every Chinese that the earth was inhabited by earth spirits, who were, while they remained undisturbed in their own domain, comparatively well disposed towards the human race, but should they be disturbed in any way, even by the digging of shallow holes for the foundations of a house or for the setting up of scaffolding poles, great care had to be taken lest some of the disturbed earth spirits were forced to evacuate their domicile and were let free to roam the heavens. In such an eventuality there would surely be war between the earth spirits and the heavenly spirits and the wrath of the warring factors would naturally be visited upon the humans and unpredictable acts of revenge might be inflicted, such as earthquakes, tempests, floods, and other similar calamities, which would not only affect the erring farmer and his family but also the farmer's

neighbours and perhaps the whole of the countryside which would, in turn, bring down the wrath of the whole population upon the stupid and unhappy farmer.

It is, therefore, quite understandable that, while in a few non-agricultural parts of the country out-cropping minerals were "worked" by being picked up from the surface of the ground, it took a very brave man to mine into the ground and thus incur the unpredictable displeasure of the earth spirits and the more tangible anger of his fellow men.

In the light of the above observations it is not difficult to understand why there were very few mines in China before the Revolution in 1911, and consequently very little mining machinery was supplied to China prior to that time by Great Britain or for that matter by any other country. Furthermore, any machinery which was supplied was largely limited to such machinery which performed work which could not be undertaken by manual labour which was then unbelievably cheap and unlimitably available.

In point of fact such importations of machinery were nearly entirely limited to small winches, pumps and steel wire ropes, and as electricity was nearly non-existent in places up country the winches were mostly steam driven and the pumps were of the reciprocal type.

In these early days of mining in China very few mines, if any, were equipped with any form of crushing or grinding plant. It therefore followed that no mineral was mined which could not be sold in the "as mined" condition, or which could not be processed by hand picking or by means of primitive jigs, pestles and mortars and bamboo sieves which have been used in China for other purposes for countless generations.

The internecine warfare throughout the whole of China which has been more or less continuous since the Revolution in 1911, has not been conducive to foreign companies developing mines in any part of the country but in spite of these and other difficulties one or two British and Continental companies were formed to develop and run coal mines in North China, and these mines until the onset of the War in the Pacific, were operated as efficiently as coal mines in any other part of the world and were equipped with the most up-to-date equipment then available, even including underground haulage by means of electric and diesel locomotives. The Chinese has quickly assimilated the art of coal mining, he is quick to learn often very mechanically minded and makes a fearless miner.

Naturally numbers of the workers from these non-Chinese owned mines have left to find themselves employment in small Chinese owned mines, and just before the outbreak of the War in the Pacific a large number of

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these foreign taught miners were to be found in various parts of China, particularly in the small coal mines which were then opening up in Honan Province and in the Paoshan area of Shantung Province, as engineers to single mines or advisers to groups of mines. While a large number of these mines were run on a "shoe-string" there is no doubt that many Chinese mine owners, under the influence of their engineers, realised that modern methods of mining would produce quick rewards and they were sending promising young men in increasing numbers to Japan, America and Europe to study mining and to bring back with them details of new mining machines.

Few people who have not lived in China realise the immense size of the country and the appalling lack

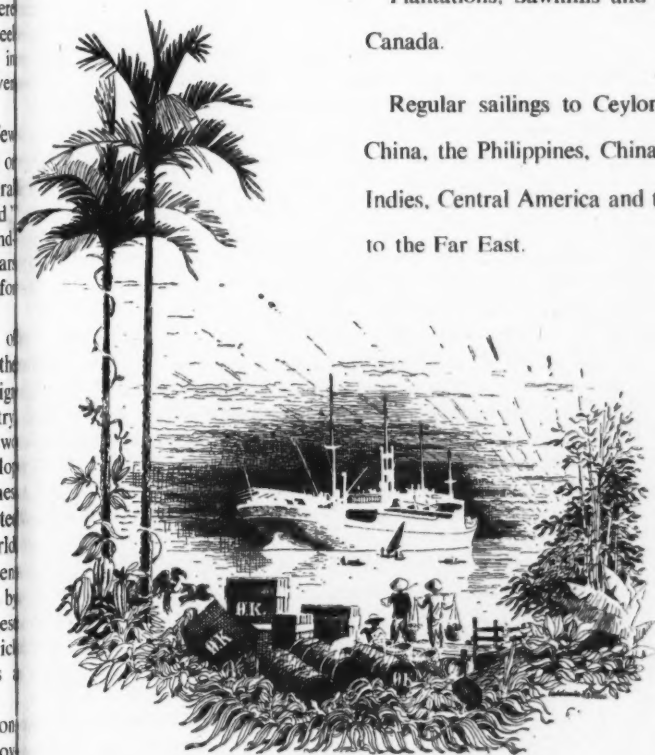
of transport. Excluding air transport, which for most minerals is a too expensive method of transport, the only methods of shipping from the interior to the coast is by shallow draft river steamers down the main rivers and along the very few railways. Most of the rivers are difficult to navigate for a large part of the year on account of low waters and most of the railways are single tracked and poorly equipped, both as regards rolling stock and other facilities. Transportation of mined minerals from the interior of China to the coast for sale to other countries is, therefore, hampered by this lack of means of transport and until this problem is solved much of the undoubted mineral wealth of China will remain in the care of the earth spirits.

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Sponge Culture in Micronesia

By Hywel Hughes

SINCE the latter part of the nineteenth century a great deal of attention has been given to the possibilities of cultivating sponges as a commercial proposition, thereby establishing an alternative to the natural sponge fishery, with its inequalities and uncertainties of supply.

Experiments conducted in Florida and Tunisia showed that, because of their high regenerative power, sponges could be grown from small cuttings. Successful sponge culture on a large scale was undertaken by the British Government between 1935 and 1939, in the Bahamas and in British Honduras. This venture was halted in 1939 by the almost complete destruction of the beds by a fungus-like micro-organism.

Information gathered from Japanese sources by the Fish and Wildlife Service of the United States Department of the Interior has revealed that extensive experiments in sponge culture were made in the islands of the Pacific under Japanese mandate. This area was for some years before World War II closed to any but Japanese nationals and scientific information relating to it was difficult of access.

The first of a series of experiments was begun in 1927 at Ponape in the Eastern Caroline Islands. The sponges from which cuttings were taken were native to the atoll of Ngatik and were mainly of the sheep-wool and velvet varieties. Little progress was made due to inexperience in the transportation of living sponges and to unfavourable environmental conditions at Ponape. An area was sought where the lagoon was not turbid or with sluggish currents, as at Ponape, and where native sponges already existed. The lagoon at Truk to the west of Ponape was thought suitable and sponges were introduced from the atoll of Kimjima, being transported in the hold of a research vessel in sea water which was continually changed and circulated by pumping. It was found that large sponges of up to twenty kilograms in weight withstood such transplantation best.

The method of planting was, in its essentials, similar to that employed in the West Indies by the British Government, and achieved a fair success. Six-centimetre cubes of sponge were cut, under water, from the mother sponge with a very keen knife. These cubes were then attached by means of aluminium wire to concrete discs thirty centimetres in diameter and five centimetres thick and placed in water of from three to five metres deep. It was found advisable to raise the discs slightly above the bottom in order to avoid penetration of sand into the sponges.

In 1935 intensive research of sponge culture was continued at a centre in the Palau Islands, using local sponges of fine quality as the source material. Improvements were

made in the concrete disc method. Frames of aluminium wire were erected on the concrete discs and four-centimetre cubes of sponge suspended from the frames. Though a very definite advance, this method was by no means as successful as a completely new technique which was evolved at Palau—that of threading the sponge cutting onto weighted hemp or coconut-fibre ropes suspended from bamboo rafts. Overheads were considerably reduced by this use of only locally available materials, while the method could be used in any depth of water. Sponges grown in this way acquired a commercial value after a period of from 18 months to 2 years.

Further trials of the concrete disc and floating raft methods of sponge culture were made at Ailinglaplap Atoll in the Marshall group between 1940 and 1943. The mother sponges were obtained in Ailinglaplap itself and in Mille and Majuro Atolls.

The most satisfactory results obtained at Ailinglaplap, producing the most rapid growth with the highest survival rate, were achieved by using an empty beer bottle as a float from which were suspended a series of five to twelve aluminium wire segments joined flexibly together end to end. Each wire segment, bearing normally four sponge cuttings, was about sixty centimetres long, and the lowest was attached to a concrete weight resting on the sea bottom. The bottle was floated about twelve centimetres below surface at low tide. This method was awarded a patent by the Japanese Government.

After being harvested, the sponges were buried in the sand of the lagoon beach between tidal levels and were left for three or four days, at the end of which time they were clean and ready for shipment.

The Japanese considered that Ailinglaplap was capable of producing approximately two million sponges annually. Namorik Atoll in the Marshalls was thought to be even more suitable for sponge culture, having many spots where neither wind or wave action could adversely affect the cultures. As many as eighteen million sponges could be grown there annually; only the outbreak of war in the Pacific prevented the establishment of a flourishing industry.

Many of the British and French possessions in the South Pacific have physical, chemical and oceanographic conditions similar to those of the Palau and Marshall groups. They are, as was shown by the tragic trade recession of the nineteen thirties, dependent to a dangerous extent upon the vagaries of the world market in copra.

This dependence on one product is currently a matter of concern to the South Pacific Commission, which is sponsoring a series of expert studies aimed at the diversification of the economies of the Pacific islands.

The Japanese experiments in Micronesia have demonstrated the feasibility of sponge culture on a commercial scale in the Pacific. An effort needs now to be made to

establish sponge culture as a new element in the economic life of the Pacific islands under French and British administration, wherever appropriate conditions may exist.

THE NATIONAL BANK OF INDIA, LIMITED

SATISFACTORY PROGRESS IN A YEAR OF ADJUSTMENT

Mr. J. K. Michie's Review

THE Annual General Meeting of The National Bank of India, Limited, will be held on April 14 at 24, Bishopsgate, London, E.C.

The following is an extract from the statement by the Chairman, Mr. J. K. Michie, which has been circulated to shareholders with the report and accounts for the year ended December 31, 1952:—

The consolidated balance-sheet shows a reduction of £3,816,532 to £143,467,142 which in the conditions met during the year is a relatively small decline. The figure relating to the National Bank of India Limited, alone has fallen by £1,839,229, although the total of deposits has in fact risen slightly—loans payable on the other hand have fallen from £4,000,000 to £740,663.

On the other side of the book advances have fallen by over £12,000,000 and, in consequence, cash and investments, including Bills of Exchange, &c., show an overall increase of £10,962,165. As I explained last year there were special reasons for advances being temporarily high at December 31, 1951.

After making full provision for taxation and other necessary reservations net profits are £381,444, a reduction of £29,229 as compared with 1951 results, which were exceptional. We are therefore satisfied with the results and with the progress the bank is making.

INDIA

India is our largest and oldest field. Since the General Election which returned Congress to power last spring Government has shown a firmer purpose in economic and labour matters than was obvious in pre-election days and this must be welcomed.

The financial policy being followed by the Finance Minister, Sir Chintaman Deshmukh, while recognizing the need for lightening the tax burden on individuals, is anti-inflationary and interest rates are now being allowed to play their part in a country in whose money markets that commodity is in short supply.

The Government has also wisely reduced the export duty on certain jute products and so helped the Calcutta mills to compete with an industry in Europe and elsewhere which need never have been developed to its present extent.

The tea industry was in 1952 a headache to itself, to its bankers and to the Government and at the end of the year prospects for quite a large section of the industry were far from bright. Fortunately due to

a combination of causes and circumstances the picture has since improved radically and there is now reasonable grounds for optimism though not for complacency.

A year ago there was no cloud in the sky, merely the prospect and hope that in the United Kingdom tea would be de-rated and decontrolled. Unfortunately a long period of bulk contracts in which quality was not sufficiently discriminated for or against in price, encouraged human frailty to assert itself and in all too many cases coarse plucking was indulged in. When decontrol and free auctions arrived, simultaneously came the inevitable consequences, good teas went up in price, poor teas fell catastrophically.

I am glad to say that the industry took immediate steps to rectify its policy while the Government of India has given valuable assistance in lightening the burden previously imposed on the industry in the form of subsidies on food, although they have as yet done nothing by way of reducing the imposts of excise and export duties. Fortunately also the stock position in this country is not so heavy as was feared and the cumulative result has been a steady recovery in prices which we hope will be maintained. My excuse for writing at length on the subject of tea is that because the lesson has been short and sharp I hope it will not be quickly forgotten. We cannot dissociate ourselves from the problems and policy of one of our largest interests.

Food production in India remains its biggest and most intransigent economic difficulty and although by better agricultural methods, by irrigation schemes, and by encouraging the use of artificial fertilizers real if unspectacular progress is being made, a continually growing population largely if not entirely negates the gains. Government's five-year plan aims particularly at meeting this crying need.

PAKISTAN

The year 1952 was almost as disastrous for Pakistan's economy as the previous year was favourable.

Her food grain crops were poor while prices of cotton in west Pakistan and jute in east Pakistan fell steadily and steeply. She had also in the flush of previous prosperity allowed imports on far too generous a scale.

To help the situation the Government—I think mistakenly—indulged in price support schemes which in the event left it with stocks on which it has lost considerably. Earlier realization would have saved their Budget from losses and would have benefited the country's external trade balance.

The Government of Pakistan is now taking energetic steps to rectify the situation which fundamentally is quite sound by limiting non-essential imports and by stimulating exports though I regret to see a modern State reverting to barter as a method of trading. This I fear is another consequence of non-convertibility of currencies.

Trade between India and Pakistan is

not dead but it is far from being as alive as it should be and even though a mere and obvious truism one must point to the enormous mutual advantages that would derive from a free flow of commerce within the sub-continent.

CEYLON

Ceylon is another country that has had to adjust its ideas of importing and Governmental spending to a reduced income. Her major problem is the cost of the necessary imports of foodstuffs, mainly rice, and as her yearly needs are not less than 450,000 tons this if imported entirely as rice at present world prices would cost over £30,000,000. Further, Ceylon was subsidizing rice to such an extent that it was cheaper to the consumer than wheat products, which in fact cost less than half. Obviously the Government cannot afford such a policy and I am confident it will amend it in its coming Budget.

The feature of Ceylon's economic year has been the barter deal with China of 50,000 tons sheet rubber for 270,000 tons of rice both at prices which seem favourable to Ceylon.

BURMA

During 1952 the control of the Burma currency previously vested in a Currency Board sitting in London was removed to Rangoon under the Union Bank of Burma and the name of the rupee changed to the kyat, a name by which it was always known in the Burmese language, and it is now a decimal currency. Under the Union Bank of Burma Act the value of the international reserve maintained by the bank shall be not less than 25 per cent of the bank's liability on account of deposits and currency in circulation. The present ratio is 90.26 per cent.

While there are definite and sore irritations such as the activities of Chinese Nationalist troops in the Shan States and of Red and White Communist guerrillas whose sporadic raids are most unsettling, not to forget the continued lack of a firm settlement of the Karen question, the past year has on the whole been one of progress politically and economically.

The very high prices obtained for her rice surplus have assured Burma of an extremely favourable trade balance—which shows every sign of being increased in 1953—and as Government insists that 300s. postwar kyats—less "expenses"—is at least as good a price to the cultivator as was 125s. to 150s. pre-war rupees, this means that the Government's policy is anti-inflationary—that it is piling up balances which so far it has hardly begun to spend while the purchasing power of the cultivator remains low. True progress through the increase of law and order will only be reflected in a higher production and it is confidently expected that 1953 will see a larger surplus of rice for export.

Now that the constitutional position has been cleared by a reference to the Supreme Court it is expected that negotiations for the projected "joint venture" in the oil industry will be resumed, and others may follow.

A CASE FOR SECONDARY INDUSTRY IN AUSTRALIA

By G. G. Allen (Melbourne)

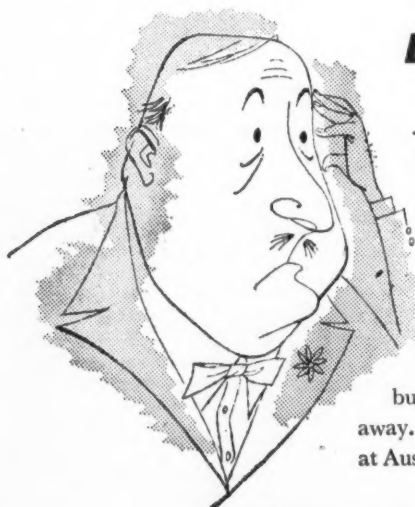
WHILE Australia remains a nation dependent largely upon exports of primary products her economy must be perpetually at the mercy of fluctuations quite beyond the control of her producers, economists or politicians. If the resources of the nation were virtually restricted to the ability to produce wool, meat and wheat, then there would be a good case for the attitude adopted by certain sections of opinion, both in Australia and abroad, that present efforts should be concentrated on increased primary production and exports. But Australia is sufficiently well endowed to make an alternative course not only attractive, but practicable.

Without claiming any extraordinary merits for the continent it must be allowed that there are few lands with so great a range of climatic types, enabling almost any crop to be grown commercially if the economic conditions are reasonable. There is also a great diversity of mineral wealth, while the resources of such minerals as lead, zinc, coal and some others of industrial importance may be considered abundant.

There are today many industrial enterprises based

upon the natural wealth of the country that are competing successfully with imported products for the home market although in other cases production costs are too high and the advantage of location is outweighed. However, given the opportunity, there are probably few requirements that could not be met by local production.

A comparison of production costs in many secondary industries, as between one country and another, does not reveal the complete picture. The particularly high average standard of living in Australia, which is based to some extent on high wages, must have an effect upon the price of products. But so long as direct competition, in export markets, with countries having lower labour costs is not an active factor, the domestic price should not be compared with prices prevailing elsewhere in the world, providing that efficiency in terms of man hours, raw material consumption, etc., is satisfactory. The situation in Australia at present is that the economy is neither a straightforward case based on primary production, nor predominantly industrial but rather is it in a period of transition. The overwhelming majority of the population



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live in the great cities and are employed in secondary production, administration, services, etc., and yet at the same time a great proportion of the national wealth depends, directly or indirectly upon the primary industries of wool, wheat and minerals. Difficulties of adjustment between internal production costs, and the prices of imported goods, might perhaps be expected, and if the transition is to be completed some form of "protection," either by tariffs or other government assistance would appear desirable.

International cooperation is today a major political aim, and as a parallel increased international trade is frequently advocated. It is not always stressed, however, that the greater advantages of such trade accrue to the greater industrial nations, while the primary producer is left open to all the ill winds that may blow, at home, or in physically remote corners of the world. The U.S.A. is virtually alone in that she, more than any other nation, approaches the theoretical state of self sufficiency. At another extreme Great Britain leads the nations whose major interest is in processing raw materials and exporting the manufactured products. These latter nations have suffered greatly from the expansion of secondary industries, initiated or greatly accelerated by World War II, in the lands that have formed in the past, and still form to a large extent, the major markets for highly manufactured products. Again, the acquisition of political autonomy by such nations as India, has released national ambitions and energies, some of which are finding practical expression in economic activities.

It would be patently unjust, and unreasonable, to expect such nations as have the resources of men and materials, combined with heavy local demands, to deny themselves, or even to defer for long, the benefits, social and otherwise, that are obtainable by a venture into industrialisation, so that the ill-balanced economies of Western Europe might remain undisturbed. It was surely a factor of historical accident that gave the industrial supremacy of the world to Western Europe, and later to North America, before the rest of the world was in a position to compete. Today the advantages that the "old" countries enjoyed, most of all cheap labour and absence of competition, are no longer operative, and therefore it should be no cause for surprise that new industries in "young" lands often find the going difficult. The case for protection has been justified many times.

Japan cannot be denied some measure of admiration for her fantastic industrial expansion of the first half of this century in the face of natural and economic disadvantages that might well have been regarded as prohibitive of any major development. The efficiency of the steel industries of India and Australia are but two examples of a successful fight against a difficult beginning. Unhappily it can be noted that in too many cases the rise of new industries in the less developed parts of the world has been greatly stimulated, and sometimes initiated, by the needs of war. However, the continued success of such enterprises under normal trading conditions adds support

to a policy of aid for young industries. Without some sort of assistance the industrial infants might succumb to any of a number of adverse factors which could, in time, be eradicated or relegated to a position of minor importance: e.g., in India there is the relatively backward social and technical status of the workers and consumers, while in Australia the population is too small to carry the burden of the initial establishing costs.

The comparison between India and Australia is of interest because each exhibits quite a different aspect of the problem. India, with a very large, yet poor, population has an enormous potential market if only the purchasing power can be created. This must depend upon agricultural and social improvements. Again the amount of capital available for investment is disproportionately small compared to the population, and some form of government action is essential. Australia on the other hand is faced with too few workers to provide for a complete range of industrial production, while at the same time the limited population itself limits the market and consequently also limits the number and size of plants that can profitably produce a particular article. This may in some cases be aggravating the cost of production, or it may be preventing the establishment of some forms of manufacturing. With an increase in population Australia should gradually eliminate this problem, for the high social standards, if maintained, ensure good sales. It would seem from recent announcements that the Government appreciates this and intends to control immigration so that supply and demand shall grow in step.

However, despite these adverse factors, both India and Australia have displayed an ability to produce manufactured goods at economic rates. These two countries possess what are perhaps among the most efficient of the world's steel industries, by any price standard. Again Australia is in the forefront of sugar production, although her labour costs must be far in excess of those of any other cane sugar producer, and the price of sugar is lower than in most other countries of the world (8d. Aust. per lb.).

The critics of expansion of secondary industries in these primary producing nations come mostly from those sections of the world community that stand to lose, or at least suffer compulsory adjustment of their economies, by just such an expansion. Of course they find some supporters in the home camps. But the problem cannot be isolated from the threads of time, and the situation as it may be in ten, twenty or more years would be a truer guide for judgement than are present day conditions.

With good fortune many of the new projects today may follow the successful paths that have already laid the foundations of industry. One does not envisage a mighty industrial nation in Australia, partly because the resources available are not of such a magnitude, and partly because the markets will not be sufficient justification. But there can be, in time, a nation with a more balanced economy so that boom and depression do not follow the oscillations of the price of wool. This should mean a great reduction in imports, and consequent upon an increased population

(a total of twenty millions by 2,000 A.D. is envisaged), a decrease in exports seems at least likely. Yet it may be that the development and improvement of primary industries can offset the increase in home demand, and exports of foodstuffs, wool etc., to the more crowded parts of the globe may even be maintained at the desired levels. Logically such a situation should also reduce the cost of exports to buyers, for if imports can be significantly reduced, then the income which exports must earn could be proportionately less, and still balance the national account. But it is probably too much to ask of either producers or governments that they should share their gains with the customers.

The disaster of a third war would further emphasize the relative isolation of Australia, and this is, unfortunately, one of the strongest motives favouring industrial expansion, and also immigration. Cut off from overseas supplies

Australia would face great hardship, and the present intensive search for oil stems from the realisation of this fact. The only real safeguard is a sufficiency of industrial potential to make the island continent a workable machine in isolation.

It may therefore be that developments are undertaken from varied motives, and some may be premature from an objective economic standpoint. But efficiency of production, and the best utilisation of the world's resources, are imperative. It would therefore appear on several grounds that independence on trade routes extending to the far side of the earth is not advisable if, by some means, the demand can be met at home. However efficient transport may become it must always entail additional costs, and it would be better to adopt a series of regional exchange systems, with their own levels of efficiency, than to concentrate all production into a few specially favoured locations by means of rigorous free competition.

EAST EUROPEAN TRADE WITH ASIAN COUNTRIES

By John Cardew

A RECURRING theme in East European foreign trade publications for some time now has been the "bright prospects" that exist for expanding trade relations with the countries of Asia. Since the end of the war East European-Asian trade has been steadily increasing and, especially as a result of agreements concluded with China following the establishment of the Central People's Government in October, 1949, is now on a bigger scale than ever before. Present East European interest in increasing the volume still further underlines two important points: firstly, the growing raw material needs of Eastern Europe, and secondly, their claim that their developing heavy industry is capable of meeting many of the capital equipment requirements of countries like India and Pakistan. Already the general pattern of trade between East European countries and Asia takes the form of an exchange of machinery and manufactures for jute, cotton, copra and vegetable oils.

OFFERS TO ASIA

In the West surprisingly little attention has been paid to an aspect of the Moscow economic conference in April 1952, which shed a great deal of light on Soviet and East European determination to make a strong bid for trade with Asia. This was the session of the conference devoted entirely to "Problems of Underdeveloped Countries." Soviet offers of capital equipment in return for Asia's raw materials had been made before the conference—notably at meetings held under the auspices of the U.N. Economic Commission for Asia and the Far East—but they were repeated in Moscow in far greater detail and made to specific countries. An entirely new development, however, was the way in which all the East European countries supplemented the Soviet offers and indicated their desire to provide India, Pakistan, Ceylon, Indonesia and Burma with everything from machine tools and precision instruments up to complete plants.

In the midst of so many offers of machinery, equipment and technical assistance—offers that prompted a delegate from Pakistan to call for a "Stalin Plan" for the Asian region—it was not

surprising that a great part of the chairman's final summing up was devoted to minimising the importance of capital as the limiting factor in the development of backward countries. Similarly a Czechoslovak speaker clearly had well-known Asian suspicions in mind when he emphasised that his country had no investment aims in Asia.

At trade fairs held in Bombay and Karachi early in 1952 Hungary and Czechoslovakia had big displays, with emphasis on heavy industrial products designed to provide the answer to Asian development programmes. Again at the Leipzig Fair in September much of the very considerable literature distributed by the East Germans stressed the importance of East German industry to Indonesia, Burma and the Asian Dominions. Several East European export concerns are consistent if not as yet large-scale advertisers in various trade and other journals in Asia, and the much-publicised (in Asia) trade relations between Eastern Europe and China undoubtedly create a good deal of interest in a number of Asian countries.

DEVELOPING TRADE

Within a year of the setting up of the Central People's Government in Peking trade agreements had been concluded by China with most of the East European countries. Towards the end of 1950 large-scale shipments of goods from Czechoslovakia and Poland started to arrive at regular intervals at Tientsin. Figures quoted by Peking radio indicate the important development of trade since then. In 1950 imports from Eastern Europe were 1.37 per cent. of China's total imports and by the end of 1951 they had reached just over 25 per cent. China's exports to Eastern Europe in 1950 were a little under 4 per cent. of the total and in the following year they rose to about 26 per cent. Figures for 1952 are not available but an early estimate was that China's trade with the Soviet Union and the East European countries would account for about 70 per cent. of the total value. Changes in the geographical structure of China's trade have been accompanied by a shift away from imports of consumer goods to imports of raw materials and capital equipment. According to

China's Foreign Trade Minister, Yeh Chi-chuang, trade with Eastern Europe "has contributed greatly to the restoration of our economy and the development of our production . . . while at the same time most of our farm products and by-products that need to be exported have found markets in these countries." The Soviet Union and Eastern Europe now provide the principal markets for China's exports of silk and tea and are also buying for the first time such things as Chinese handicrafts and a variety of local products.

POLAND

Having already a merchant shipping service trading to ports in China, Poland not surprisingly was the first of the East European countries to conclude a trade agreement with the new Chinese Government. This agreement, signed in February, 1950, and followed by another in January, 1951, provided for Polish exports of mining machinery, rolling stock, railway equipment, textiles, steel products, chemicals and sugar. By 1951 Sino-Polish trade was several times larger than the pre-war record volume. The latest agreement between the two countries was signed last July and is believed to provide for a further expansion on the basis of Chinese ores, asbestos, graphite, textile raw materials, hides and agricultural products exchanging for Polish rolling stock, machinery, metals, chemicals and paper.

Poland has also had trade relations with India for some time. In return for Indian iron ore, manganese ore, hides and skins, tobacco and oils, she has exported zinc, optical instruments, agricultural and textile machinery, machine tools and transformers. Under an agreement concluded with Pakistan last June Poland is receiving jute, cotton, hides and sports articles and is exporting coal, sugar (the country is now fourth among the world's sugar beet producers), textiles, chemicals, cement, printing paper and metal products. Products of Poland's important flax industry are also going to Pakistan and since 1950 Pakistan has been a major buyer of Polish jute products. The first Polish-Indonesian trade agreement was signed last summer for a period of one year. Under it Indonesia will send Poland tea, coffee, pepper, quinine and receive in return Polish metal products, textiles, machinery, glass and chemicals. A Polish-Korean trade agreement was signed in Warsaw at the beginning of last June when the North Korean Minister of Trade visited the Polish capital. The commodities to be exchanged have not been announced but it is likely that North Korea will export raw materials and receive Polish equipment and machinery. Such products of Polish light industry as sweets, matches and earthenware have in recent years penetrated the Asian markets, especially in Pakistan.

CZECHOSLOVAKIA

Under the first Sino-Czechoslovak agreement signed in 1950, Czechoslovakia's principal imports were vegetable oil and included also wolfram, lead, mercury, silk and bristles. Heavy engineering goods, precision instruments and cars and trucks comprised the bulk of her exports to China. Following China's

participation in the Prague Fair in the spring of 1951, a new agreement was signed between China and Czechoslovakia to increase the volume of trade fourfold compared with 1950. Considerable importance was attached to the agreement in both countries and it was hailed in China as specially important because of the part it would play in "effectively countering" the blockade of the Chinese mainland. Important developments in the 1951 agreement were prices fixed independently of those ruling in the world market, and provision for Czechoslovakia to deliver steel plants and iron foundries to China. The third and current Sino-Czechoslovak agreement was signed in Prague last July. Machine tools and factory equipment are included as Czechoslovak exports and China will continue to supply key raw materials for heavy and light industry. An exhibition of Czechoslovak manufactures held in Peking in September, 1952, reflected the growing economic cooperation between the two countries.

Under a one-year trade agreement concluded last summer between Czechoslovakia and Pakistan, Czechoslovakia is to import raw cotton and jute and will supply to Pakistan a complete textile plant and textile machinery valued at £50,000, tractors, motor rickshaws, cars, asbestos sheets and textiles.

Czechoslovakia's pre-war trade contacts with India were resumed in the post-war period. Czechoslovak steel products, machinery and electrical equipment have accounted for a good deal of the East European exports of manufactures to the overseas sterling area in recent years and much of the trade has been with India. Trade between the two countries has been governed by agreements since 1949 and an interesting provision has been for Czechoslovak technical assistance to India. It was made clear at the Moscow conference, however, that Czechoslovakia has high hopes of increasing considerably the present volume of her trade with India. The country's exhibit at the Bombay Fair was second only to that of the Soviet Union in impressiveness and gave prominence to a wide variety of the products of Czechoslovak heavy industry already known in India.

The total value of trade between Czechoslovakia and Indonesia in 1951-52 was 60 million Rupiahs. It was balanced trade conducted under licence and Czechoslovak exports included precision tools, medical instruments, electric motors and cars. Imports from Indonesia were made up of coffee, spices, quinine, tin, kapok and copra. Difficulties over prices and deliveries which arose in the early part of 1952 between Indonesia and her East European trading partners—Czechoslovakia, Poland and Hungary—are believed to have since been settled and agreements have been renewed.

EASTERN GERMANY

East German trade with China is of special importance because of the part it has played as a factor in moves for German unity. The first Sino-German agreement was concluded in October, 1950, and Premier Grotwohl early stressed the significance of these commercial relations "far beyond the frontiers of the German Democratic Republic." East German spokesmen



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have consistently declared that in trade negotiations with China Eastern Germany is prepared and eager to speak for all Germany. At Leipzig in September the lure of unlimited trade with China undoubtedly proved more irresistible than ever to important West German industrialists and an immediate outcome, announced within a week of the closing of the fair, was the formation in Western Germany of an "East-West" trading company to do business with the Soviet Union and China. It seems that, as Premier Grotwohl predicted, "broad sections of West German businessmen see in the close friendship of the German Democratic Republic with People's China bases and possibilities for the increase and expansion of all German foreign trade with China."

Sino-East German trade is already greater than the record pre-war volume of exchanges between China and a united Germany. Heavy machine tools comprise about half the German exports to China and mining machinery, precision instruments and textile machinery are also being sent to China in growing quantities. A complete beet sugar factory for delivery to China before the end of 1953 is now being built by the East Germans. The Chinese have also announced that they will be buying a new Chinese typewriter made by the East German "Optima" factory near Erfurt and said to be superior to the Japanese model. A 1952 trade agreement between Eastern Germany and China was signed in Berlin in May, 1952, and a German trade mission, which included the head of the largest machine tool manufacturing concern in Eastern Germany, left for Peking soon after the Leipzig Fair.

Although Eastern Germany has no trade agreements with any Asian country other than China, limited exports are going to India, Pakistan and Indonesia, consisting in the main of textile machines, agricultural machines and equipment for the food-stuffs industry. Visitors were present from all three countries at the Leipzig Fair and it was reported that negotiations were begun with India for the sale of a sugar factory. A special English-language edition of the Berlin economic journal *Die Wirtschaft*, produced during the fair, recalled that at the Moscow conference Burmese and Pakistani delegates said their countries wanted industries to exploit mineral resources, timber, bamboo and machines for textile factories, leather factories and chemical plants. "Almost all these import requirements of Burma and Pakistan," commented the journal, "can be met by us." The complementary role that East German industry can play to development projects in the under-developed countries is in fact one of the most interesting and important factors to be considered in any assessment of the future prospects for East-West trade. Delivery times being quoted are much shorter than in the West (3 to 6 months for machines, 9 to 12 months for complete plants and 12 to 14 months for sugar factories).

HUNGARY

Hungary's trade with China is on a far greater scale than ever before. Hungarian exports include agricultural machinery and tractors (the country has exhibited at an agricultural fair held in Peking), power driven pumps, heavy electrical equipment, chemicals and machine tools. The latest agreement with China was concluded in the summer and a Hungarian trade delegation went to China late in 1952 to negotiate future exchanges.

Hungary is also carrying on an important and growing trade with other parts of Asia. The first post-war agreement with an Asian country was with India in 1949 and since then Hungarian machine tools, tractors, transformers, bicycles, sewing machines and electrical goods have been exported in return for mica, spices, hides and skins. Under a current two-year agreement India is receiving in addition to former imports from Hungary hydro-turbines, textile and printing machinery, X-ray equipment, locomotives, boilers, iron and steel tubing and film projectors. Tea, tobacco, leather and rubber goods, linseed and groundnut oil, cottage industry products and drugs are among India's exports.

Commerce between Hungary and Pakistan started with shipments of maize and textiles after the war. The first agreement between the countries was in 1950 and was followed by another in 1952. Hungary's exports have included cotton piece-goods,

tractors, electrical supplies, radios and bicycles. Cotton, jute and hides have been taken from Pakistan. Trade between Hungary and Ceylon has been on a small scale. However, as in the case of Burma, Thailand and Malaya, with which Hungary also has no agreements, Hungary's heavy and light industrial products have been offered in exchange for the traditional exports of the countries.

Indonesia has become an important buyer of a wide range of Hungarian heavy and light industrial products. Limited exchanges, begun in 1950, increased almost five-fold under a subsequent agreement concluded in 1951. In October last, a one-year agreement involving the equivalent of £3,500,000 was concluded following the visit of a Hungarian mission to Indonesia. Hungary is to get tin, rubber, copra, coffee, quinine and vegetable oils in exchange for industrial machinery, textiles, chemical goods, agricultural equipment and sundry manufactured items.

RUMANIA AND BULGARIA

The inclusion of industrial products among the Rumanian and Bulgarian exports now going to China reflects the development of industry in these two countries. Under a Sino-Rumanian agreement announced last July, Rumania is to provide industrial equipment, electrical products, oil products and chemicals. She will receive from China metals, chemicals, vegetable oils, ground nuts and tea.

A Sino-Bulgarian agreement also concluded last summer is the first in the history of the two countries. Chinese goods imported into Bulgaria before the war were bought in Western Europe. Under the new agreement Bulgaria is to send to China machine tools, electrical products, nitrogen fertilisers and chemicals in return for non-ferrous metals, cotton, silk, tea and hides. Seven products of Bulgaria's new machine tool industry were shown for the first time at Leipzig in September and those being supplied to China include lathes, shapers, presses and pneumatic hammers. Bulgaria's Vice-Minister of Foreign Trade headed a mission which visited China in October to arrange future exchanges between the countries.

TRANSPORT

Shipping has constituted a main difficulty in trading relations between the East European countries and Asia. At the Moscow conference there were numerous criticisms of "shipping monopolies," and one Indian industrialist actually attributed the absence of trade between India and Eastern Germany entirely to the lack of adequate shipping facilities. Accordingly the regular lines which the Polish mercantile marine is operating through ports in India, Pakistan, Ceylon, Burma, Hong Kong, Singapore, Australia and South Africa, have assumed special importance. In 1955 Poland is to have 580,000 tons of shipping, a sizeable amount of which is expected to be engaged on the service to China ports. A Sino-Polish agreement concluded at the beginning of 1952 covered shipping and navigation, and sea traffic has since developed on a considerable scale between Gdynia-Gdansk and Tientsin and other north China ports. Eastern Germany, Czechoslovakia and Hungary have the use of Stettin at the mouth of the Oder River and have been using this outlet for their trade with China. A merchant fleet now being built in Eastern Germany is also especially intended to serve the exchange of goods with China. Wismar is being enlarged to make it an important transhipment port for German potash going to China and other Far Eastern countries.

Also significant from the point of view of future trading relations between the Soviet Union, Eastern Europe and China is the projected navigable waterway to link the canals of the Soviet Union with the rivers of Poland and Eastern Germany. As far as China is concerned a major contribution to facilitating commerce with her European allies has been the rebuilding of Tangier harbour linking Tientsin with the sea and providing accommodation for ships up to 10,000 tons.

Given a continuing world dollar shortage and disagreement over the rate of industrial development in Asian countries such as came to light at the Commonwealth Conference in December, the East European states will clearly intensify the bid they are now making for more trade with Asia.

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